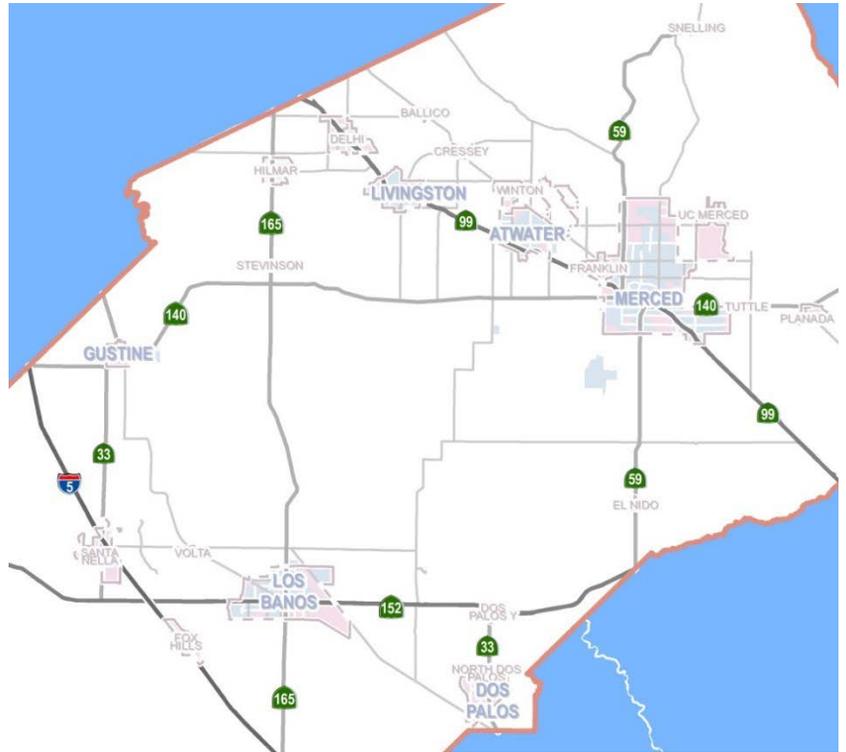


May 11-12, 2016

WATER



EDUCATION



TRANSPORTATION



HOMELESSNESS



ECONOMIC DEVELOPMENT



One Voice

May 11, 2016

Dear Sir or Madam,

Thank you for taking the time to meet with the Merced County Association of Governments (MCAG) One Voice delegation. We appreciate the demands on your schedule and are grateful for the time you have provided to learn about our region's priorities and projects, and to speak with us about the critical work you and your colleagues are doing in Washington, D.C.

Merced County, California, is home to a diverse population of 267,000 people and is located in the heart of the San Joaquin Valley—the world's most productive agricultural area. Nine of the nation's top ten agricultural-producing counties are in California, with seven located in the San Joaquin Valley including Merced County. Our county is also home to the University of California, Merced, the 10th campus in the UC system, and the first American research university of the 21st Century. Having opened its doors to students in 2005, the student population today exceeds 6,500 with nearly one-third coming from the San Joaquin Valley. The campus also leads the UC system in the percentage of students from underrepresented ethnic groups, low-income families and families whose parents did not attend college.

One Voice is a federal advocacy program comprised of local representatives, elected officials and staff who travel to Washington, D.C. annually to meet with legislators and agency staff to advocate for projects and issues of regional significance. The goals of the program are to:

- Communicate the region's legislative priorities clearly and succinctly;
- Obtain more federal funding for local projects;
- Advocate for legislation or policy changes that will benefit Merced County;
- Support our legislators by meeting with their peers and garnering wider support for projects and issues relevant to the Merced County region.

These advocacy trips are important to us as they give us the opportunity to share information about our local challenges, initiatives and projects and to build relationships and partnerships with policymakers and staff that will benefit the work we are doing to improve the quality of life in Merced County. Thank you again for your time. We look forward to working with you on these priorities.

Sincerely,



Marjie Kirn
Executive Director
Merced County Association of Governments

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TRANSPORTATION

Our region appreciates the passage of the Fixing America's Surface Transportation (FAST) Act last year as it provides long-term certainty and stability of funding sources which are critical to planning and implementing investments in a multi-modal regional transportation system. The FAST Act includes several key transportation grant programs that could provide key investments in our region's transportation infrastructure which would spur economic development, job creation and the overall improvement to the quality of life in the region.

Transportation Investment Generating Economic Recovery (TIGER)

The TIGER grant program continues to be among the most competitive transportation funding grant programs in the country. The fact that each year the demand far outweighs funding availability reflects its importance in shaping regional transportation systems. Toward that end, our region has once again submitted an application to fund the construction of segment 2 of the **Campus Parkway** project. This project will provide access to employment and educational centers including the University of California, Merced campus, and will cater to bicyclist and ridesharing travelers. This project is located in a rural disadvantaged community and is a local and regional priority project.

Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE)

As provided through the FAST Act, this new program is an exciting new opportunity for Merced County, particularly with 25% reserved for rural projects. Under the program eligibility, any proposed project in Merced County is considered rural. With this opportunity including the requirement to fund shovel-ready projects, our region has submitted an application for the **Campus Parkway** project. Segment 2 of the Campus Parkway project is shovel-ready with the design and right-of-way acquisition complete for all future phases.

CAMPUS PARKWAY \$33 million

Campus Parkway is a three phase project that involves the construction of 4.5 miles of new expressway from State Route 99, connecting State Route 140 and extending to Yosemite Avenue in Merced. Design and right-of-way are fully funded for the entire project and the first of the three segments has been constructed.

Segment 2 will continue the expressway to State Route 140 and is projected to cost \$33 million.

The completion of this project will create new middle-class jobs in an economically distressed area with an unemployment rate consistently among the nation's highest. It will provide an efficient connection to the University of California's newest campus from two state highways (99 and 140). The project will spur planned development, including a new retail distribution center and a regional major commercial center – creating 5,800 jobs, increasing regional gross domestic product and employment by 10%, and connecting disadvantaged populations to job opportunities.

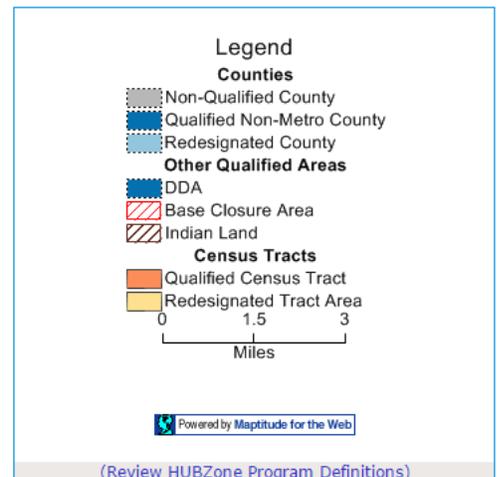
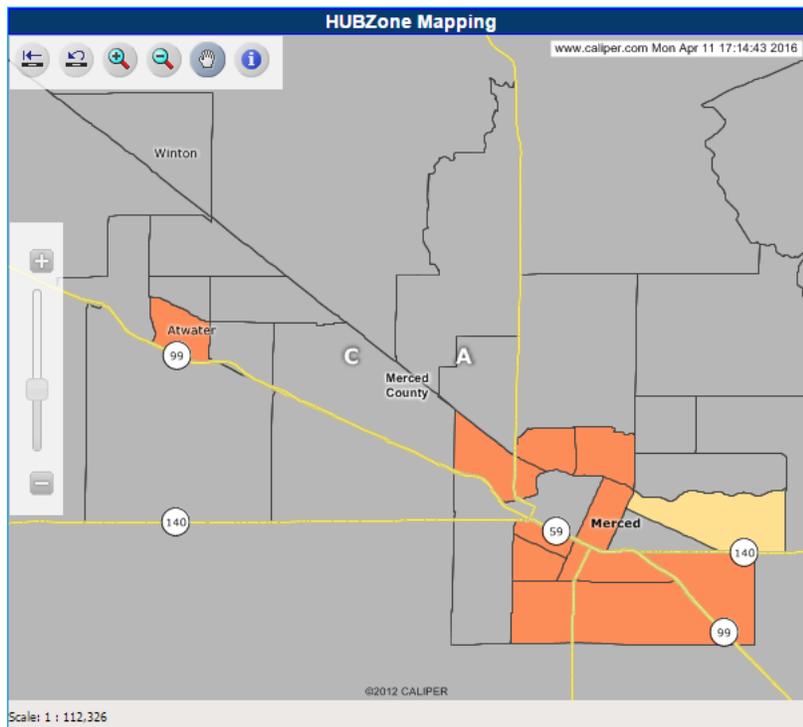
ECONOMIC DEVELOPMENT

Merced County is a rural region of nearly two-thousand square miles and 267,000 residents. It is challenged with inadequate and deteriorating infrastructure, a largely unskilled workforce, and insufficient resources following the dissolution of state redevelopment agencies and other key programs in recent years. However, the region is ripe with opportunity for business attraction, retention and expansion, particularly in regard to the reuse of the former Castle Air Force Base facility.

Support Business Creation, Retention and Expansion

o Expand HUBZone Boundary

The Historically Underutilized Business Zone (HUBZone) program was designed to promote economic development opportunities and employment growth in distressed areas by providing access to more federal contracting opportunities. The Merced-Atwater region is a highly distressed area with record unemployment. A handful of properties with higher-than-average real estate values lend to a false representation of a more affluent area rather than reflect the reality of high unemployment and lack of quality jobs. The inclusion of several nearby businesses in the HUBZone designation would promote considerable job growth and significant improvement to quality of life in a highly distressed area. An area of notable opportunity is the Castle Business Park which was formerly Castle Airforce Base – a Base Closure Area. HUBZone inclusiveness would certainly attract businesses to this complex, creating quality jobs and spurring economic activity in the region.



○ **Fund Industrial Park Feasibility Studies (\$300,000)**

With State Route 99 and Interstate 5 running through the east and west sides of Merced County, respectively, the region is well-positioned to serve as the epicenter for industrial activity and distribution of goods throughout California and the Western United States. With several sites for potential development greater than 1200 acres throughout the region, funding to conduct feasibility studies for industrial parks is needed. Specifically, there is interest in exploring opportunities for a feasibility study for a joint industrial park owned and overseen by the County and respective cities.

○ **Fund Study to Identify Best Available Technologies for Wastewater Pre-Treatment for Food and Dairy Processors (\$300,000)**

In addition to being one of the state’s leading ag production counties, Merced County is one of California’s largest dairy producers and supports a burgeoning food processing industry. Funding is needed to study the best available technology for the pre-treatment of wastewater that is generated by food and dairy processors. The City of Merced is currently ineligible for USDA funding due to exceeding the population limit. However, project benefits to the nearby agricultural and rural communities can be demonstrated.



Invest in the Revitalization of Rural Communities

Merced County is comprised of a number of small rural communities founded and driven by a local agriculture economy. Collectively, these communities and others throughout the San Joaquin Valley, make the region a powerhouse for ag-production and economic activity. However, as individual jurisdictions they are often unable to make the much-needed investments in their aged infrastructure to be ADA compliant, provide safe pedestrian access to shopping and schools, and attract and retain businesses to their downtowns and commercial areas. These communities are small, rural and the heart of our nation’s agricultural economy. They deserve the attention and investment of special programs designed to address their unique needs.

○ **Revitalize Downtown Gustine (\$8 million)**

The Gustine Downtown Revitalization Project is intended to provide much needed infrastructure upgrades to Gustine’s main street to improve downtown commercial occupancy rates, improve walkability and ADA accommodations, and enhance the functionality and aesthetic of the heart of the community.



WATER

Water is the lifeblood of the San Joaquin Valley – one of the most agriculturally rich regions in the nation. An adequate, diverse water supply is critical to all aspects of life in the region, in order to support our regional ag economy, provide for future economic growth, and to maintain a reliable source for our urban and rural communities.

The Problem: Despite the relief provided by recent storms, the current supply of available water in California remains inadequate. Further, climate change is expected to significantly alter snowpack and runoff in the coming years. The state has been severely impacted by the multi-year drought and subsequent reductions to its water supplies used for both municipal and agricultural farming operations. Without precipitation, surface water is rapidly depleting and groundwater is being pulled from the ground faster than it is recharging.



The Impact: The multi-year drought has left Merced County reeling. Agriculture is Merced County's top industry, generating about \$3 billion in raw-product value annually. As its largest employer production agriculture employs about a fifth of the county's residents, with more than 30% in ag-related jobs. Without water, the region faces job loss and the fallowing of prime ag land. These impacts are felt beyond California as production declines, the price of commodities increase in markets across the country.

Without an adequate supply of surface water, groundwater is being pumped from the San Joaquin Valley at an unsustainable rate causing significant subsidence in several locations. In some areas, land dropped more than 21 inches in just two years and continues to sink at a rate of nearly 1 foot per year. Known as subsidence, this trend is an alarming threat to economically vital infrastructure like canals, roads, dams, railroads, pipes and bridges. This is especially concerning due to permanent damage caused to the aquifer when subsidence occurs.

The Solution: Responding to the current water crisis requires action and leadership at the federal, state and local levels. In addition to conservation efforts, a successful approach must include additional storage as the failure to increase water supplies in California will jeopardize America's breadbasket and the state's trillion-dollar economy.

- **What is the State of California doing?** Recognizing that water is a pressing issue for all Californians, voters approved Proposition 1B in 2014. Currently, Governor Brown and the State Legislature are working together to expedite bond funding for conservation efforts. Additionally, the Governor has called for 25% reduction in potable urban water use. Curtailments to agriculture use have been occurring for several years.

- **What are we doing locally?** Merced County continues to explore and implement measures to conserve and manage surface and groundwater supplies through innovative strategies and program adjustments. Last year, the Merced County Board of Supervisors adopted an ordinance to manage groundwater supplies through a permitting process. In 2014, the state enacted the Sustainable Groundwater Management Act, placing the burden of managing groundwater sustainability on local agencies. Under the law, local agencies are required to adopt a Groundwater Management Plan by 2020. In addition, each jurisdiction in Merced County has instituted local mandatory conservation measures as required by the State of California and Governor Jerry Brown. This generally includes reduced landscape watering as well as outreach to the community on residential and business water conservation techniques.
- **What can the federal government do?** Federal authority and resources are key elements to successfully addressing the existing water crisis in California, and to prevent similar crises in future years. A comprehensive solution that addresses the immediate need for increased water supplies and provides for additional water storage for future years, is paramount to the future of the San Joaquin Valley, the state of California and the nation.

Pass Bi-Partisan Drought Relief Legislation that provides long-term and short-term provisions to help cope with the historic drought. It is critical that leaders in both houses of Congress come together to develop bi-partisan legislation that addresses the development of new storage projects and provides assistance to communities with inadequate or unsafe drinking water.

Increase current water supplies by relieving operational constraints that severely limit water supply movement through both state and federal pumping stations. In addition, funding is needed to develop much needed water treatment infrastructure in rural communities.

Increase water storage capacity by continuing to support the Lake McClure Spillway modification, which would help carry over storage from wet years to dry years. Also, water storage capacity needs to be increased by constructing additional water supply reliability projects that would enhance regional water conveyance, improve ground water storage and reduce groundwater over drafting. Additionally, the federal government should support the efforts of the San Joaquin Valley Water Infrastructure Authority in their regional efforts to obtain state and federal funding to construct the Temperance Flat Reservoir.

Support forest thinning and restoration efforts. Current forest management practices have increased the density of trees from 80 per acre to 250 per acres in the Central Sierra Nevada mountain range. Forest restoration – or forest “thinning” – has tremendous benefits, including decreasing risk of catastrophic wildfire and increasing water yield from snowpack runoff.

LOCAL PROJECTS

Lake McClure Storage Enhancement: Increase available storage through improvements to operating requirements for diverting and storing inflow to the lake, and/or physically modifying New Exchequer Dam’s gated spillway.

Black Rascal Creek Flood Control Project: Urge the Army Corps of Engineers to fund a flood control system along Black Rascal Creek that would include the construction of a floodwater detention basin to thwart the chronic local flooding to the area.

EDUCATION

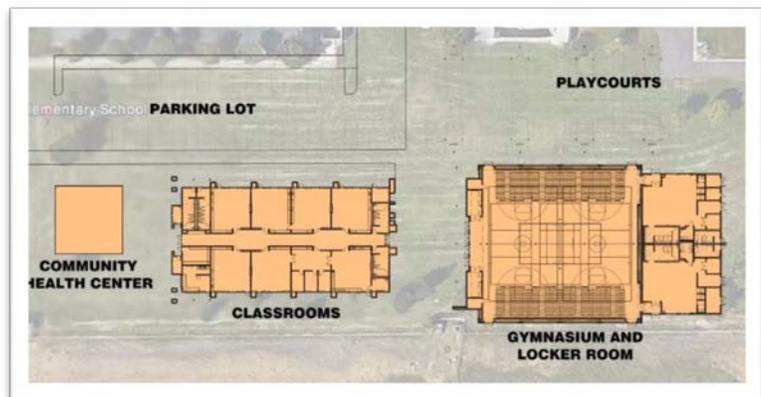
The Merced City School District faces unique challenges in its efforts to serve 10,800 pre-kindergarten through eighth grade students at 18 campuses. Statistics for the 2015-2016 school year show more than 82% of our students are either English Learners or from low income families. The District, in partnership with the community, is striving to provide the necessary resources to help all of our students succeed by improving the safety and health of our children while providing cutting edge technology to prepare them for bright futures.

Educational Center for Community Advancement in Rural Merced - (\$7.3 million)

The Franklin Beachwood community north of Merced is an unincorporated area with high rates of poverty, violence and gang activity with low educational attainment rates. It is home to two schools with higher than average populations of English Learners. With that said, there is a growing collaboration of families and community members joining together to garner support and resources to provide their children with a quality education, safe environment and improved quality of life for the residents of the area.

The **Franklin Beachwood Project** is a proposed project for this community that consists of a multi-agency partnership to provide:

- Joint-use gymnasium and community center at Stefani Elementary School
- Health resource center (medical and dental)
- Safe routes to both local elementary schools
- Joint-use playground



Full STEAM Ahead - (\$4.9 million)

Merced is home to the University of California's newest campus with an emphasis in the fields of science and engineering but is located in a region that has historically been challenged with higher than average poverty, unemployment and large minority student populations of English Learners and lower than average achievement scores. The Full STEAM Ahead project consists of developing a



state-of-the-art **STEAM Center** at one elementary campus along with supporting sites and Maker-Spaces to teach Science, Technology, Engineering, Arts and Mathematics at a college and career preparation level to all students. This STEAM Center would better prepare our students for a lifetime of success. It would also be used to train hundreds of teachers so they can learn the best methods for educating our youth in these critical areas.

HOMELESSNESS

The Merced County region continues to struggle to address the needs of its homeless population. While there was a significant decrease in the number of homeless persons between 2015 and 2016, additional resources and collaborative effort is needed between the local, state and federal governments to address the needs of the individuals and the communities impacted.

Support the Merced City and County Continuum of Care

According to the Merced County 2016 Homeless Count and Survey, 519 persons are homeless in the county region on any given day. Of this population, 163 are in shelters or transitional housing programs and 356 were unsheltered. The Merced City and County Continuum of Care has made a tremendous impact on reducing the numbers of homeless individuals in our communities through

the associated funding provided by the U.S. Department of Housing and Urban Development (HUD). The collaborative effort of the continuum has undoubtedly resulted in the considerable decrease in the number of homeless individuals over the last year as many homeless service providers reported many who exited homelessness through their resources and community partnerships.

Year	Total Number of Homeless Persons	Variance	
		#	%
2015	899	-	-
2016	519	380	42.3

Support the HUD VASH Voucher Program

The Housing and Urban Development Agency’s VASH Voucher program provides subsidized housing for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). Merced County has only received 55 vouchers to date since the program was initiated as noted in the table below. In 2015, the Merced County Point-in-Time Homeless Count noted that 88 veterans were homeless. The 2016 Point-in-Time Homeless Count noted 25 homeless veterans which represents a decrease of 63 veterans or 71.5%. Understanding there is a formula that is used to determine the number of vouchers that a county will receive, Merced is requesting no fewer than 25 vouchers be allocated in 2016.

Year of Award	# of Vouchers
2008	0
2009	0
2010	0
2011	0
2012	25
2013	0
2014	15
2015	15
Total:	55

Help Us House Homeless Veterans

In order to finish the job of ending homelessness among veterans, the Merced City and County Continuum of Care created the Merced County Task Force to End Homelessness among Veterans by the end of 2016. The task force is made up of a wide-range of representatives from public and private organizations who will continue to implement a Housing First approach that will permanently house homeless veterans as quickly as possible in permanent housing, including permanent supportive housing, and provide on-

site and off-site case management services. Twenty-five HUD-VASH vouchers will ensure that a Housing First approach is used to end the homelessness experiences of veterans in Merced County and in particular chronically homeless veterans. The 2016 Point-in-Time count revealed that 56% or 14 of the veterans counted were chronically homeless.

MERCED COUNTY, California





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