

**DRAFT**  
**MOBILEHOME PARK REHABILITATION AND RESIDENT OWNERSHIP**  
**PROGRAM**

**2018 TECHNICAL ASSISTANCE GUIDELINES**



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## **Section 100. Purpose and Scope**

- (a) The Mobilehome Park Rehabilitation and Resident Ownership Program (MPRROP) is authorized by Chapter 11 of Part 2, Division 31 of the Health and Safety Code ((HS&C); commencing with Section 50780), and governed by regulations underneath Title 25, Part 1, Chapter 7, Subchapter 13 of the California Code of Regulations, commencing with section 8000.
- (b) Administered by the California Department of Housing and Community Development (Department), MPRROP provides loans to facilitate the acquisition and rehabilitation of mobilehome parks by resident organizations, nonprofit housing sponsors, and local public entities to preserve affordability for low- and moderate-income park residents. MPRROP also provides loans to resident organizations and nonprofit housing sponsors to assist residents with needed repairs, accessibility improvements, and replacement of resident-owned units.
- (c) The purpose of these guidelines is to implement technical assistance as authorized by SB 136 (Chapter 766, Section 3, effective October 13, 2017), which added section 50787 to the Health and Safety Code.

## **Section 101. Technical Assistance Contract Amount and Term**

- (a) The Department may enter into a contract with one or more nonprofit corporations (Contractor(s)) to deliver technical assistance as identified in the scope of work in Section 102 of these guidelines. The aggregate total dollar amount of funding for technical assistance shall not exceed \$1.2 million between all contracts, and is subject to funding restrictions per Section 102(c). Contract amounts will vary dependent upon each Contractor's capacity to deliver technical assistance as outlined in Section 104(a)(3), and the quality and breadth of the work plan and cost reasonableness as outlined in Section 105 (a)(6) and (7).
- (b) The initial contract term shall not exceed two years. The Department reserves the right to extend this term to no more than three years pursuant to HS&C 50787(a), subject to satisfactory performance by the Contractor(s) and as determined by the Department.

## **Section 102. Scope of Work**

- (a) The selected Contractor(s) shall manage all Contractor staff and subcontractors who are performing work under the MPRROP Technical Assistance Standard Agreement. The Contractor shall also provide regular feedback to the Department in accordance with Section 107 Reporting Requirements regarding their progress and effectiveness pursuant to Section 102 Scope of Work requirements, and other

areas of performance as determined by the Department.

- (b) The Department may contract with one or more Contractors to perform technical assistance in one or more of the categories outlined in Sections 102(b)(1) through (3) below:
  - (1) The Contractor shall provide direct technical assistance to mobilehome park residents and community-based nonprofit corporations in order to assist them with the acquisition, financing, operation and improvement of mobilehome parks. Contractor(s) shall perform technical assistance in the following areas per the Contractor's written plan, and as contractually agreed upon between the Contractor(s) and the Department:
    - (A) Prioritize outreach in areas of highest need, including, but not limited to, rural areas, disadvantaged communities, areas with a lack of decent housing conditions and infrastructure, areas of low opportunity, hazard risk areas (e.g. flood, fire, etc.), and areas with vulnerable populations and special needs (e.g., farmworkers, etc.).
    - (B) Actively seek out opportunities for the acquisition or preservation of mobilehome parks occupied by low- and moderate-income households through outreach to brokers and owners.
    - (C) Actively seek out, provide technical assistance to, and encourage potential nonprofit sponsors of mobilehome park projects through networking, conferences, individual contacts and other means.
    - (D) Actively explore resident ownership opportunities to provide technical assistance to and encourage potential applications.
    - (E) Provide direct technical assistance to potential MPRROP eligible residents, resident organizations, community-based nonprofit housing sponsors or local public entities, as determined by their individual needs, including, but not limited to:
      - i. evaluating eligibility for MPRROP funding (including assisting with or reviewing MPRROP applications and evaluating financial feasibility),
      - ii. assisting with negotiation of purchases for MPRROP eligible applicants,
      - iii. identifying and securing mobilehome park financing,

- iv. advising on possible ownership structures,
  - v. assessing park rehabilitation needs and manufactured home/mobilehome rehabilitation or replacement options,
  - vi. assisting with assessing local government land use and other applicable ordinance requirements necessary for the acquisition, preservation or conversion to resident ownership,
  - vii. providing information about, and assistance navigating through, applicable state laws, including the Mobilehome Residency Law, the Mobilehome Parks Act, and Government Code laws related to park conversions, and
  - viii. procuring legal, engineering, construction and property management services.
- (F) Provide feedback to the Department regarding the efficacy of the MPRROP program based on the Contractor's experience with providing direct technical assistance to mobilehome park residents and community-based nonprofit corporations seeking mobilehome park conversion to resident ownership.
- i. This assistance to the Department may also include advice on program policies, assisting with the improvement of internal analysis of applications, tracking tools to monitor application progress, and/or assistance with analysis of the existing MPRROP portfolio, as determined by the Department.
- (G) Work directly with the Department as a liaison for applicants who are seeking, or currently applying for, MPRROP funding.
- (2) The Contractor shall develop a risk assessment and analysis tool for predicting which California parks are most likely to close due to physical deficiencies or other problems low- and moderate-income parks face. In development of this tool the Contractor shall:
- (A) Review available data on park closures, park physical deficiencies, and other problems with mobilehome parks occupied by low- and moderate-income households; and

- (B) To the extent permitted by available data, identify characteristics of parks experiencing or likely to experience problems resulting in significant harm to low- and moderate-income households.
- (3) The Contractor shall produce a written report, which shall be published and made available to the public, analyzing financial, regulatory and/or other factors present that are barriers to the preservation and improvement of California's mobilehome parks occupied by low- and moderate-income households, and potential measures to overcome those barriers. In the development of the report the Contractor shall, among other things:
- (A) Consult with the Department's subject matter experts;
  - (B) Review all available literature on the subject;
  - (C) Interview knowledgeable parties such as code enforcement personnel working in areas with high concentrations of parks with physical deficiencies, lenders, nonprofit organizations, local government officials, and public agencies involved with park preservation projects; and
  - (D) Seek out actions which public agencies and others could take to overcome barriers to mobilehome park preservation.

Upon completion of the report, the Contractor shall submit a copy to the Department prior to publication by the Contractor. The Department shall reserve the right to publish the completed report and make it available for the public and/or subsequent requestors.

- (c) Funds used for the activities described in subsections 102(b)(2) and 102(b)(3) above shall not exceed an aggregate total funding amount of \$250,000 between both respective technical assistance categories.

### **Section 103. Proposal Process**

- (a) The Department shall issue a Request for Proposals for MPRROP technical assistance funds.
- (b) Proposals must contain the information specified in the Request for Proposals.
- (c) The Department will evaluate complete proposals for compliance with the minimum qualification requirements specified in Section 104 of these guidelines.

- (d) Proposals meeting the minimum qualification requirements of Section 104 of these guidelines shall be scored in accordance with the criteria set forth in Section 105.
- (e) The Department shall award one or more contracts to the entity or entities submitting the highest scoring proposals, subject to all provisions and conditions as set forth in these guidelines.
- (f) Throughout the proposal evaluation process, the Department may require submission of additional information it deems necessary to evaluate fully the individual proposals.

#### **Section 104. Minimum Qualifications**

- (a) To be considered for work in accordance with only Section 102(b)(1), proposers must meet the following minimum qualifications:
  - (1) Proposer's entity is organized as a nonprofit corporation under federal and state law;
  - (2) Proposer has significant experience working with mobilehome park residents and non-profit organizations in the acquisition, rehabilitation, and preservation of mobilehome parks (the Department interprets significant experience to mean a combination of quantity and quality of successful work by the proposer(s) and/or identified personnel within the prior ten-year period similar to the work identified in Section 105(a));
  - (3) Proposer has statewide or regional capacity to deliver technical assistance, as outlined in Section 102(b)(1); and
  - (4) Proposer is satisfactory in their financial stability and past performance for the previous ten-year period from the date the Department received the proposal (no bankruptcy filings, overdue taxes, lawsuits threatening organizational survival, contract terminations for nonperformance, etc.); and

If a nonprofit corporation is proposing to perform the scope of work in accordance with Section 102(b)(2) and/or (b)(3), the proposer must also meet the minimum requirements as outlined in Section 104(b) below.

- (b) For nonprofit corporations proposing to perform the scope of work in accordance with Section 102(b)(2) and/or (b)(3), proposers must meet the following minimum requirements:
  - (1) Proposer's entity is organized as a nonprofit corporation under federal and state law;

- (2) Proposer is satisfactory in their financial stability and past performance for the previous ten-year period from the date the Department received the proposal (no bankruptcy filings, overdue taxes, lawsuits threatening organizational survival, contract terminations for nonperformance, etc.); and
- (3) Proposer has demonstrated capacity and experience within the prior ten-year period to perform analytical work, as evidenced by completion of previous tasks, work, reports or studies similar to the risk assessment and analysis tool and/or barrier study described in subsections 102(b)(2) and 102(b)(3), respectively.

### **Section 105. Proposal Selection Criteria**

Proposers meeting the minimum qualifications in Section 104(a) and 104(b), and are proposing to perform the scope of work in accordance with Section 102(b)(1) and/or 102(b)(2) and/or 102(b)(3), will obtain additional points in accordance with Section 105(a) below to a maximum of 100 points between Section 105(a) and 105(b).

- (a) Proposals meeting the minimum qualifications in Section 104(a) of these guidelines will be scored based on the following criteria and maximum point scores to a maximum of 50 points:
  - (1) Experience of the proposer and identified personnel and/or subcontractor(s) with the acquisition, financing, rehabilitation, and operation of affordable housing projects. (5 points)
  - (2) Experience of the proposer and identified personnel and/or subcontractor(s) with the acquisition, financing, rehabilitation, and operation of mobilehome parks. (10 points)
  - (3) Experience of the proposer and identified personnel and/or subcontractor(s) with providing technical assistance to residents, nonprofit organizations, and other necessary parties in connection with the acquisition, financing, rehabilitation, and operation of mobilehome parks or other affordable housing. (10 points)
  - (4) Experience of the proposer and identified personnel and/or subcontractor(s) with supplemental funding sources likely to be used on MPRROP projects, such as other sources of local, state, federal, public financing, qualified 501(c)(3) bonds, and/or commercial loans. (5 points)
  - (5) Quality of the work plan, including details of the plan for carrying out the scope of work pursuant to Section 102(b) of these guidelines. The plan



should detail the budget, geographic area to be served, goal and milestone schedules, and the likelihood that the plan would result in fundable MPRROP applications. (10 points)

- (6) Cost reasonableness, given the experience outlined in Section 105(a)(5), the quality of the work the Contractor established in Section 105(a)(5), and the potential funding to be leveraged during the life of the contract. (10 points)
- (b) Proposers meeting the minimum qualifications in Section 104(b) of these guidelines and who are proposing to perform the scope of work in accordance with Section 102(b)(2) and/or 102(b)(3) will be scored based on the following criteria to a maximum of 50 points:
- (1) Experience of the proposer and identified personnel and/or subcontractor(s) with performing analytical work, as evidenced by completion of previous tasks or studies similar to the risk assessment and analysis tool and/or barrier study described in subsections 102(b)(2) and 102(b)(3), respectively. (20 points)
  - (2) Quality and detail of the work plan to develop a risk assessment and analysis tool and/or prospectus on how the proposer will conduct a barrier study that is useful in guiding future public policy intervention. (15 points)
  - (3) Cost reasonableness, given the experience outlined in Section 105(b)(1), the quality of the work the Contractor established in Section 105(b)(2), and the potential funding to be leveraged during the life of the contract. (15 points)

## **Section 106. Legal Documents**

- (a) The Department will enter into a MPRROP Technical Assistance Standard Agreement (Standard Agreement) with the selected proposer (Contractor). This Standard Agreement shall require all Contractors and parties to the Standard Agreement to comply with the requirements and provisions of these guidelines, as well as generally applicable contracting rules and requirements.
- (b) The Standard Agreement may contain, but not be limited to, the following items:
  - (1) A description of the geographic area served;
  - (2) Provisions governing the amount, terms, and conditions of the Standard Agreement;
  - (3) The process by which the Contractor must request payment;

- (4) Requirements for reporting technical assistance activities as described in Section 107 of these guidelines;
  - (5) Timeframes and milestones for the performance of activities;
  - (6) Remedies available to the Department in the event of a violation, breach or default of the Standard Agreement;
  - (7) Special conditions (if any) imposed as part of the Department approval of the Standard Agreement;
  - (8) Terms and conditions required by federal or state law; and
  - (9) Other provisions necessary to ensure compliance with the requirements of the Standard Agreement.
- (c) The agreed upon scope of work under the Standard Agreement shall be completed on or before the termination date of the Standard Agreement.
  - (d) Performance shall start no later than the expressed date set by the Department and the Contractor after all approvals have been obtained and the Standard Agreement is fully executed.
  - (e) Should the Contractor fail to commence work at the agreed upon time, the Department, upon a 30 day written notice to the Contractor, reserves the right to terminate the Standard Agreement.

### **Section 107. Reporting Requirements**

- (a) The Contractor shall deliver quarterly progress reports to the Department, which shall include, but are not limited to, reporting progress relative to the scope of work requirements as stated in Section 102(b) of these guidelines.
- (b) The Contractor shall deliver all reports required by the Standard Agreement commencing on the first of each month.
- (c) At any time during the term of the Standard Agreement, the Department may perform or cause to be performed a financial audit. At the Department's request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant.

## **Section 108. Defaults and Cancellations**

- (a) In the event of a breach or violation by the Contractor(s) of any of the provisions in the Standard Agreement, the Department may give written notice to the Contractor(s) to cure the breach or violation within a period of not less than 15 days. If the breach or violation is not cured to the satisfaction of the Department within the specified time period, the Department, at its option, may declare a default under the Standard Agreement and may seek legal remedies for the default, including the following:
  - (1) The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with the MPRROP technical assistance requirements.
  - (2) The Department may seek such other remedies as may be available under the relevant agreement or any law.
- (b) Upon receipt of the notice of grant cancellation from the Department, the Contractor shall have the right to appeal to the Director of the Department.

## **Section 109. Prohibited Activities**

- (a) Health and Safety Code section 50787(b) prohibits Contractors from using MPRROP technical assistance funds to assist with the taking of any mobilehome park by eminent domain.
- (b) Contractors are prohibited from receiving payments or items of value from mobilehome park sellers or manufactured home dealers or manufacturers, or their agents, or other parties involved in potential MPRROP transactions, or from parties to MPRROP transactions who are receiving assistance from the Contractor, without the prior written approval of the Department.
- (c) Contractors, Contractor's staff, subcontractors, and all parties to the Standard Agreement are prohibited from using MPRROP funds to purchase a mobilehome park until one year after the date of termination of the Standard Agreement.
  - (1) The Department may make an exception to this prohibition if the Department determines that the purchase meets all statutory and regulatory requirements, would preserve affordable housing for low- and moderate-income resident owners, and that there are no other feasible options available for the mobilehome park residents.