

PRICE Grant Application Virtual Public Hearing

Preservation and Reinvestment Initiative for
Community Enhancement

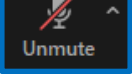
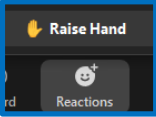
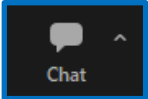
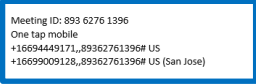
June 4, 2024
2:00 - 3:30 pm

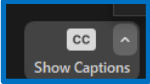
California Department of Housing and
Community Development
Division of Federal Financial Assistance





Housekeeping

- ▶ All Participant Lines Muted Upon Entry 
- ▶ Use “Raise Hand” Feature 
- ▶ Use Chat 
- ▶ Comments on PRICE Application saved as Public Record and may be included within the application submission.
- ▶ Call In Option 

Meeting ID: 893 6276 1396
One tap mobile
+16694449171,,89362761396# US
+16699009128,,89362761396# US (San Jose)
- ▶ Meeting Is Recorded
- ▶ Closed Captioning 
- ▶ Recording and Slides Available/Posted



Presenters



▶ Chelsea Meuleman - *Federal Reporting Manager*



▶ Brad Satterwhite - *Federal Programs Specialist II*



Agenda

- ▶ PRICE Overview and HCD's Role
- ▶ Engagement and Public Participation
- ▶ Overview of HCD's Application
- ▶ Resources
- ▶ Questions & Answers, Comments





PRICE Overview

- ▶ HUD has issued a Notice of Funding Opportunity (NOFO) making \$235 million available through the Preservation and Reinvestment Initiative for Community Enhancement Competition (PRICE).
- ▶ HCD is applying to HUD on behalf of the State of California for the maximum award of \$75 million.
 - ▶ Plus \$5 million in state funding leverage
- ▶ HUD expects to make only 25 awards = ~\$9-10 million
- ▶ Applications are due July 10th, awards expected in Fall 2024.



PRICE Overview

- ▶ PRICE allows for a variety of activities focused on the preservation and revitalization of mobilehome parks and Manufactured Housing Communities (MHCs) in order to preserve the long-term affordability for residents in these communities.
- ▶ PRICE is under the statutory and regulatory framework of HUD's Community Development Block Grant Program (CDBG).
- ▶ HUD's Goals for the PRICE Competition:
 - Increasing housing supply and affordability
 - Promoting homeownership and resident-controlled opportunities
 - Prioritizing equity, environmental justice, and fair housing goals
 - Supporting underserved communities and vulnerable populations
 - Protecting health and safety of manufactured housing residents



PRICE Overview - Affordability

- ▶ Similar to CDBG, PRICE must primarily benefit low- and moderate-income households (LMI) (those making 80% AMI or below).
- ▶ PRICE requires that assisted units remain affordable for at least 15 years, but grantees do have the option to choose longer affordability periods.
- ▶ NOFO defines affordability as housing costs that do not overburden LMI households.
- ▶ If awarded funds, grantees define affordable rents, but must meet minimum rent requirements established by NOFO/HOME.
- ▶ Affordability standards put in place must be enforceable and imposed by various mechanisms to ensure housing remains affordable.



Application Components

▶ Main Application Components Include:

- Executive Summary
- Exhibits with Scoring Factors (26 questions):
 - Need
 - Approach
 - Capacity
 - Leverage
 - Long-Term Effect
- Attachments addressing equity, affirmative marketing, and fair housing

▶ Successful proposals will demonstrate the following:

- Consistency with goals of the PRICE program
- Compelling need for the preservation and revitalization of MHUs or MHCs
- Sound approach and demonstrated capacity and experience
- Engagement of broad and inclusive stakeholders, including residents of MHCs



HCD's Role and Capacity

- ▶ HCD is the lead administrator for annual and one-time HUD programs on behalf of the State including, but not limited to: CDBG, CDBG-DR, HOME, CARES Act funding programs, among others.
 - Funds primarily support California's more rural non-entitlement communities, Tribal communities, Colonias, and communities impacted by disaster.
- ▶ DFFA: Environmental Services Team, Labor Compliance Specialist, Federal Reporting Unit
- ▶ Key Support Divisions: Asset Management and Compliance, Legal Affairs, Business and Contracts Services, Tribal Affairs, and Accounting and Financial Management.



HCD's Role and Capacity

- ▶ **Manufactured Housing Opportunity and Revitalization Program (MORE)**
 - Made \$136 million available in state funding for activities similar to PRICE
 - Program has made 28 awards and expected to assist 1,350 units
 - Oversubscribed by ~\$130 million with 25 unfunded applications
- ▶ **CDBG-Disaster Recovery Program**
 - Provides funding for unmet needs of manufactured housing units (MHUs) and MHCs in areas impacted by or prone to disasters
- ▶ **HCD - Codes and Standards Division**
 - Manages permitting, titling and registration of MHUs and MHCs
 - Inspects MHCs
 - Mobilehome Assistance Center receives and processes complaints



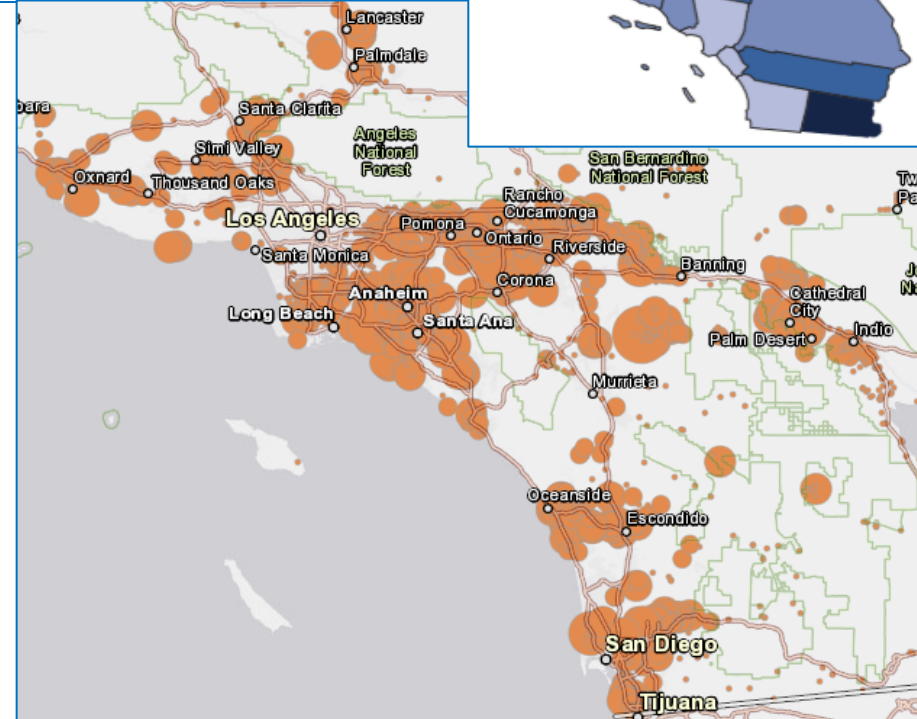
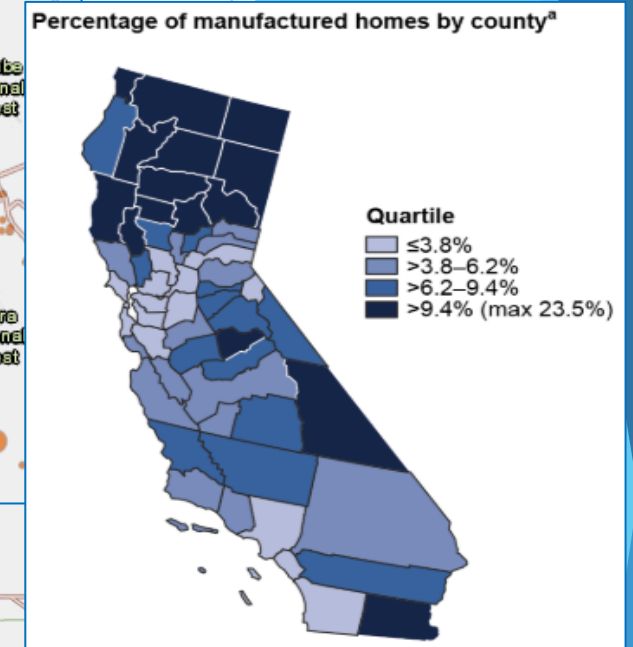
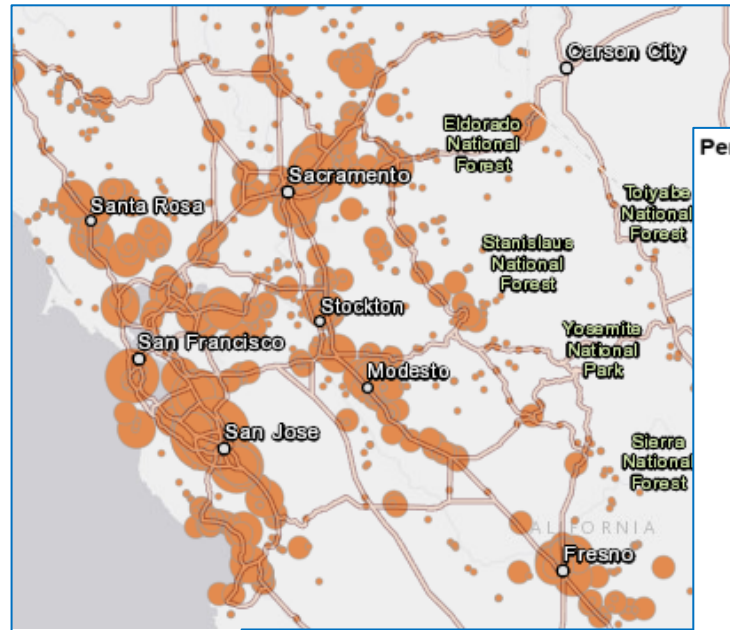
Engagement and Public Participation

- ▶ External stakeholders: ROC USA, California Coalition for Rural Housing (CCRH), California Center for Cooperative Development (CCCD)
- ▶ Internal stakeholders: CDBG-Disaster Recovery, MORE, Codes and Standards, and the Housing Policy Division
- ▶ Public Comment Period: 5/31/24 - 6/14/24
- ▶ Public Hearings: Today and In-Person June 11th at 11am at HCD's Headquarters in Sacramento
 - Conference Room 402, 2020 W El Camino Ave, Sacramento, CA 95833



Overall Need

- ▶ **Over 4,000 eligible registered mobilehome parks:**
 - Approximately 350,000 units
 - Over one million residents
- ▶ **MHUs are concentrated in urban areas and make up 4% of housing stock statewide. However:**
 - As high as 23% in some rural counties
 - 12% on average in Tribal communities
 - As much as 29% on average in Colonias



Source: GAO 2023 Report on Manufactured Housing, HCD AFFH 2.0 Data Viewer



Overall Need

- ▶ Biggest Concerns/Needs Based on Feedback from Stakeholders:
 - Displacement of residents of mobilehome parks that are at risk of unsustainable rent increases or conversion in high-cost areas due to commercial interest.
 - Mobilehome parks that have substandard conditions or insufficient infrastructure, putting these parks at risk of suspension or closure.
 - Mobilehome parks and manufactured housing units impacted by or are vulnerable to disaster, as well as aging housing stock.



Overall Need

- ▶ Creation of new MHCs has slowed drastically, with the average age now at 43 years old.
- ▶ More than 50% of mobilehomes are over 40 years old.
- ▶ CCRH estimates that nearly 5,000 mobilehomes have been lost in the last 10 years in California.
- ▶ 266 parks are at a very high risk of conversion, mostly in urban areas. This alone could equate to over \$1 billion in need.
- ▶ Priority unfunded MHC projects:
 - 18 unfunded MORE projects totaling ~\$107 million in need.
 - 42 MHCs with existing health and safety issues, accounting for as much as \$200 million in need.



Need - Disaster Related

- ▶ Applications must address disasters vulnerabilities and how proposal will address these impacts.
- ▶ California is vulnerable to a wide range of natural and non-natural hazards:
 - 72 federal disaster declarations since 2018 have impacted over 35 counties.
 - There are 8 counties that are considered at the highest risk for natural hazards which include 47% of MHCs statewide.
- ▶ 200,000 California households displaced by natural disasters last year.
- ▶ 2,500 mobilehomes damaged or destroyed by the 2023 winter storms and 2018 Camp Fire in Paradise, alone this accounts for up to \$450 million in need.
- ▶ Vulnerable populations and disadvantaged communities have less resources to respond or recover.
- ▶ MHUs are more vulnerable to disasters.



Need - Disaster Related

- ▶ Significant number of disadvantaged communities vulnerable to disaster
 - FEMA Community Disaster Resilience Zones
 - 17 counties have a total of 51 zones (10% nationwide total).
 - Estimated 69 parks accounting for over 6,000 spaces in these zones.
 - Climate and Economic Justice Screening Tool (CEJST)
 - Over 8,000 disadvantaged census tracts (11% of nationwide total).
 - Within these census tracts, there are 11 of 18 unfunded MORE projects totaling ~\$80 million in need.



Need - Distress Criteria

- ▶ Applications must address various demographic and distress criteria
- ▶ Poverty Distress Criteria
 - Highest rate of poverty (13%), when accounting for housing cost burden – overrepresentation of Black/African American and Tribal.
 - 12 counties qualify - 570 MHCs, accounting for ~15% of statewide total.
 - MHUs make up 8% of housing stock in these counties.
- ▶ Unemployment Distress Criteria
 - Highest unemployment rate in the country at 5.3%.
 - Black/African American and Hispanic populations have higher than average rates.
 - 32 counties qualify (even rural/urban county split) – 1,275 MHCs, 32% statewide.
- ▶ Median Family Income
 - 53% of areas (metropolitan/non-metropolitan) qualify.



Approach - Proposed Activities

- ▶ Mobilehome Park and MHC Projects:
 - A. Acquisition and conversion activities of existing mobilehome parks.
 - B. Acquisition and construction of new mobilehome parks to support relocation of residents displaced due to disasters.
 - C. Repair or rehabilitation of park facilities and their units that have health, safety, and substandard conditions or have been damaged or destroyed due to a previous natural disaster.
 - D. Accessibility, efficiency, mitigation, resiliency, and site improvements for units or parks to address existing substandard conditions or mitigate disaster or climate vulnerabilities.
 - E. Replacement of units older than 1976 or for which the cost of repair or rehabilitation would cost more than replacing the unit.
 - F. Elevation of units in designated flood prone areas.
 - G. Individual or scattered site projects on tribal lands or in designated Colonias may also be eligible for activities.
- ▶ Voluntary buyout and relocation planning activities in designated disaster-impacted or hazard prone areas
- ▶ Administration and technical assistance activities



Approach - Expected Outcomes

- ▶ Maintain affordability of MHCs or MHUs for 30 years through demonstrated site control, enforcement, and monitoring.
- ▶ Through acquisition activities, preventing the loss or conversion of MHCs, which can help stabilize lot rents, prevent or reduce resident displacement, and support relocation of residents impacted by disaster.
- ▶ Reduced housing cost burden and improved sustainability and quality of life for residents through repair, rehabilitation, mitigation, and resiliency activities.
- ▶ Improved equity outcomes for those disproportionately impacted by substandard conditions, lack of investment, and high costs of living.
- ▶ Through technical assistance - increased capacity of lower capacity communities and entities to both improve housing affordability in the short-term and equip them with the tools to continue their efforts to preserve affordable housing into the future.
- ▶ Raise awareness, leverage additional state resources, and continue to build off stakeholder support.



Approach - Expected Outcomes

- ▶ Support equivalent of approximately 14 mobilehome parks:
 - Based on average estimated \$5 million investment per park (MORE Program)
 - Based on average of ~47 units per park
 - Includes some higher cost activities such as relocation and replacement
 - Includes leveraged support of \$5 million in State funding
- ▶ Benefit ~675 households (~570+ LMI HH) and 2,000 individuals
- ▶ Modest investment of \$107,000/unit, \$36,000/individual
- ▶ Generate up to an additional \$200 million in investments in local communities.



Approach - Proposed Implementation

- ▶ Eligible applicants may include jurisdictions, non-profits (including resident-controlled MHCs and coops), private park owners, and Tribes.
 - Subrecipients may also be eligible or utilized, depending on the activity.
 - Private park owners will only be allowed under special circumstances.
 - Individuals will not be eligible for direct assistance.
- ▶ Extended application windows for rural communities, Colonias, Tribes, and resident coops seeking to acquire/convert a MHC.
- ▶ Funding targets for rural communities, Colonias, and Tribes.
- ▶ Funding delivered through grants, forgivable loans, deferred loans, or combination, depending on entity and project type.



Approach/Capacity - Proposed Implementation

- ▶ Proposed Budget:
 - Activities ~\$72.5 million (inclusive of \$250,000 set aside for planning)
 - Includes \$5 million in leveraged state funds
 - ~\$7.5 million for administrative and TA costs (10% cap set by NOFO)
- ▶ PRICE Program Section with up to six staff within DFFA
- ▶ Build on existing expertise, capacity and framework of the MORE program, CDBG-DR, and CDBG
- ▶ Six-year performance period:
 - 2025: Submit Action Plan, hire staff, stakeholder engagement, develop NOFA
 - 2026-2027: Launch PRICE webpage, issue NOFA, technical assistance, make awards, execute agreements
 - 2028-2030: Program administration, monitoring and reporting, closeout



How to Submit Comments

- ▶ Location to Mail Comments to:
2020 W. El Camino Ave.
Sacramento, CA 95833
 - Suite 200
 - ATTN: Brad Satterwhite - PRICE Application Comments
 - All comments are to be postmarked no later than June 14, 2024.

- ▶ Email to Electronically Submit Comments to:
PRICE@hcd.ca.gov



Resources

- ▶ HUD's Price Program Landing Page
 - ▶ https://www.hud.gov/program_offices/comm_planning/price
- ▶ State of California PRICE Grant Application:
 - ▶ [2024-draft-price-nofo-application.pdf](#)
- ▶ Federal Plans & Reports:
 - ▶ <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>
 - ▶ Click on “Federal Plans and Reports”
- ▶ Email to Electronically Submit Comments to:
 - ▶ PRICE@hcd.ca.gov
 - ▶ HCD Email Signup:
 - ▶ <https://www.hcd.ca.gov/contact-us/email-signup>



HCD Website - PRICE Application

The screenshot shows the HCD website at hcd.ca.gov. The main navigation bar includes links for Grants & Funding, Manufactured & Mobilehomes, Building Standards, Planning & Community Development, Policy & Research, and About HCD. The 'Policy & Research' dropdown menu is open, listing: Addressing a Variety of Housing Challenges, Plans and Reports, Accessory Dwelling Units, Preserving Existing Affordable Housing, Native American Tribal Affairs, and Intersectional Policy Work. The main content area features a large banner for the report 'California's Housing Future 2040: The Next RHNA' with a 'View Press Release' button. Below the banner are four featured sections: Homekey, Statewide Housing Plan, Accessory Dwelling Units, and Housing Open Data Tools, each with a brief description and an icon.

California Department of Housing and Community Development

Grants & Funding | Manufactured & Mobilehomes | Building Standards | Planning & Community Development | Policy & Research | About HCD

California's Housing Future 2040: The Next RHNA

Report builds on decades of progress in unlocking opportunities for housing statewide and offers recommendations to assess future housing needs.

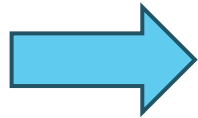
[View Press Release](#)

- Homekey: Funding to acquire or rehabilitate buildings and create housing for people experiencing or at-risk of homelessness.
- Statewide Housing Plan: Interactive report that lays out a vision to ensure every Californian has a safe, stable, affordable home.
- Accessory Dwelling Units: An innovative and effective option for adding affordable housing in California.
- Housing Open Data Tools: Learn about and track progress on homelessness and the planning and construction of safe, affordable homes.

https://www.hcd.ca.gov/policy-and-research



HCD Website - PRICE Application



Homekey: A Journey Home



HCD's Annual CALGreen Report



Federal Plans and Reports



Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Draft Application

HUD has issued a Notice of Funding Opportunity (NOFO) which appropriates \$235 million in competitive grant funding for the preservation and revitalization of manufactured housing and eligible manufactured housing communities. The California Department of Housing and Community Development (HCD) is applying for the maximum award of \$75 million on behalf of the State of California. Questions or comments on this application can be emailed to PRICE@hcd.ca.gov.

[State of California 2024 Draft PRICE Application \(PDF\)](#)

<https://www.hcd.ca.gov/policy-and-research/plans-and-reports>



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HCD values diversity at all levels of the department and is committed to fostering an environment in which employees from a variety of backgrounds, cultures, and personal experiences are welcomed and can thrive. We believe the diversity of our employees and their unique ideas inspire innovative solutions to complex housing challenges.

Join us and help improve the lives of all Californians.

To find jobs at HCD:

Visit: jobs.ca.gov and click “Advanced Job Search.”

- ▶ Search for California Department of Housing and Community Development

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Questions, Comments, Feedback?





Thank you!

Thank you for your participation. Your feedback helps us in our efforts to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians.

For more information, or to send a comment or question, please email PRICE@hcd.ca.gov.

HCD's PRICE Grant Application
Public Hearing

