

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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www.hcd.ca.gov



May 29, 2020

MEMORANDUM FOR: All Potential Applicants

FROM: Jennifer Seeger, Acting Deputy Director
Division of Financial Assistance

A handwritten signature in blue ink that reads "Jennifer Seeger".

**SUBJECT: Mobilehome Park Rehabilitation and Resident Ownership Program
Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$34 million in funding for the Mobilehome Park Rehabilitation and Resident Ownership Program (MPRROP) through this Notice of Funding Availability (NOFA) for a variety of activities.

- Approximately \$19 million is available to convert, acquire, and/or rehabilitate existing mobilehome parks in order to preserve them as a source of affordable housing and to assist park residents with needed repairs, accessibility upgrades, or replacement of mobilehomes.
- Approximately \$15 million is available to fund loans for the construction or reconstruction of a mobilehome park to replace one that has been destroyed by a natural disaster.

The Department will be accepting applications over-the-counter, meaning the first complete and eligible applications received will be the first to be reviewed. All applications received on the same day will be assigned an order of receipt based on time received. **The Department will begin accepting MPRROP applications July 6, 2020, through 5:00 P.M. Pacific Daylight Time (PDT) on January 6, 2021, or until such time as the Department has received enough eligible applications to reasonably use all the funds currently available.**

A complete original application with signatures and one electronic copy on CD or flash drive with all applicable information must be submitted to the Department through a carrier service that provide date stamp verification confirming delivery such as U.S. Postal Service, UPS, FedEx or other carrier services. Personal deliveries will not be accepted.

Mobilehome Park Rehabilitation and Resident Ownership Program NOFA
May 29, 2020
Page 2

HCD will hold webinars to review the NOFA and application. The application along with a list of webinar dates and times and how to register is available on the Department's MPRROP webpage at <http://www.hcd.ca.gov/grants-funding/active-funding/mprprop.shtml>. To receive MPRROP NOFA FAQs and other program information and updates, please subscribe to the MPRROP listserv at: http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.

If you have any questions, please submit them to mprprop@hcd.ca.gov.

Attachment

Mobilehome Park Rehabilitation and Resident Ownership Program

2020 Notice of Funding Availability



**Gavin Newsom, Governor
State of California**

**Lourdes Castro Ramirez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
Department of Housing and Community Development**

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Mobilehome Park Rehabilitation and
Resident Ownership Program e-mail: mprprop@hcd.ca.gov

May 29, 2020

MOBILEHOME PARK REHABILITATION AND RESIDENT OWNERSHIP PROGRAM

NOTICE OF FUNDING AVAILABILITY

Table of Contents

I. Overview.....	1
A. Notice of Funding Availability.....	1
B. Timeline.....	2
C. What is new in the Notice of Funding Availability.....	2
D. Authorizing Legislation, Regulations, and Guidelines.....	2
II. Eligibility requirements	3
A. Eligible Applicants	3
B. Eligible Projects/Activities	3
III. Funding types and terms	4
IV. Program threshold requirement	10
V. Financial Feasibility.....	11
VI. Application submission procedures	12
A. Application submission	12
B. Application webinar	12
C. Disclosure of Application	12
VII. Application review, approval, and commitment process.....	12
A. Review and approval	12
B. Standard Agreements.....	13
VIII. Appeal criteria and process	13
A. Criteria.....	13
B. Appeal process and deadlines.....	13
C. Appeal decision	14
D. Effectiveness	14
IX. Standard conditions	14

Mobilehome Park Rehabilitation and Resident Ownership Program

Notice of Funding Availability

I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (Department) is announcing the availability of approximately \$34 million in total from the Mobilehome Park Rehabilitation and Purchase Fund for the Mobilehome Park Rehabilitation and Resident Ownership Program (MPRROP). This MPRROP funding will be available for the following activities:

- Approximately \$19 million is available to convert, acquire, and/or rehabilitate existing mobilehome parks in order to preserve them as a source of affordable housing and to assist park residents with needed repairs, accessibility upgrades, or replacement of mobilehomes.
- Approximately \$15 million is available to fund loans for the construction or reconstruction of a mobilehome park to replace one that has been destroyed by a natural disaster.

Twenty (20) percent of the \$19 million is reserved for rural projects pursuant to 25 CCR §8014(c). If the Department receives an inadequate number of feasible rural project applications, based on the criteria during this funding round, the Department may allocate these funds to non-rural projects, in accordance with CCR §8014 subsection (a).

The Department recognizes that the process of purchasing and/or rehabilitating a mobilehome park is complex and requires a high level of expertise. Senate Bill 136 (Chapter 766, Statutes of 2017) added [§50787](#) to the Health and Safety Code (HSC), which authorized the Department to contract directly with nonprofit corporations for the purpose of providing technical assistance to aid applicants in acquiring, financing, operating, and improving mobilehome parks occupied by low- and moderate-income residents. California Coalition for Rural Housing was selected as a contractor for the purpose of providing technical assistance. See <https://www.hcd.ca.gov/grants-funding/active-funding/mprprop.shtml> on the Department's website for more information.

B. Timeline

NOFA Release	May 29, 2020
Application Available on Website	June 15, 2020
Application Due Date Period	Over the Counter Start accepting July 6, 2020, until January 6, 2021, or until the Department has received enough eligible applications to reasonably use all the funds currently available
Award Announcements	Ongoing

C. What is new in the Notice of Funding Availability

The enactment of Assembly Bill (AB) 2056 (Chapter 750, Statutes of 2018) amended §50784.5 and §50784.7 and added §50784.6 to HSC. AB 2056 made the following changes:

- Disaster Reconstruction Financing – The Department has authority to make loans to resident organizations, qualified nonprofit housing sponsors, or local public entities to replace or construct a mobilehome park that was destroyed in a natural disaster, provided specified criteria are met.
- Rehabilitation of Mobilehome Parks –The Department has authority to make loans to qualified nonprofit housing sponsors or local public entities for the purpose of rehabilitating an existing mobilehome park without acquisition.
- Deferred Payments – For loans issued pursuant to this NOFA, the loan principal and interest repayments are deferred for the full term of the loan; however, there will be an annual fee to cover the Department’s monitoring costs.
- Individual Mobilehome Assistance - The Department has the authority to approve grants to resident organizations, qualified nonprofit housing sponsors, or local public entities for repairs, accessibility improvements, or replacement of mobilehomes, as long as the park operator:
 1. has received a loan pursuant to HSC §50783, §50784, or §50784.5 for acquisition, conversion, or preservation of affordability; and
 2. demonstrates sufficient capacity to manage a portfolio of individual loans.

D. Authorizing Legislation, Regulations, and Guidelines

MPRROP is authorized by HSC Chapter 11 of Part 2, Division 31 ([§50780 et. seq.](#)), and is regulated through CCR Title 25, Division 1, Chapter 7, Subchapter 13 ([§8000 et. seq.](#)). Applicants can download MPRROP regulations from the program’s webpage at <http://www.hcd.ca.gov/grants-funding/active-funding/mprprop.shtml>.

II. Eligibility requirements

A. Eligible Applicants

Eligible applicants must be resident organizations, qualified nonprofit housing sponsors, or local public entities as defined below. Please note, **individuals/residents are ineligible to receive direct funding from the Department through this NOFA.** Once these funds are awarded, qualified low-income individuals/residents may apply directly to an MPRROP program recipient.

1. Resident Organizations are a group of mobilehome park residents who have formed a nonprofit corporation or other legally recognized entity. Resident organizations may include residents from more than one park where the residents of those parks combine to form a single resident organization. A resident organization must have as members no less than two-thirds of the residents from each represented park [HSC [§50781\(l\)](#); [25 CCR §8002](#)].
2. Qualified Nonprofit Housing Sponsors are nonprofit public benefit corporations that have received tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and are not affiliated with or controlled by a for-profit organization or individual. Nonprofit housing sponsors must also have extensive experience with the development and operation of publicly subsidized affordable housing or mobilehome parks, and formal arrangements for ensuring resident participation or input in the management of the park [HSC [§50781\(k\)](#)]. Limited partnerships also qualify when all the general partners are nonprofit mutual or public benefit corporations that meet the requirements of HSC [§50781\(k\)](#).
3. Local Public Entity means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, public district, or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local public entity" also includes two or more local public entities acting jointly (HSC [§50079](#)).

B. Eligible Projects/Activities

To be eligible for assistance, the projects must be mobilehome parks meeting MPRROP requirements as described below. Mobilehome parks must have an active or suspended permit to operate as a mobilehome park as defined in HSC [§50781\(i\)](#). Existing unpermitted mobilehome parks may be eligible for rehabilitation loans and/or grants, subject to additional conditions and limitations more fully described in Section III of this NOFA. Recreational vehicle parks do not qualify for MPRROP funding unless using program funding to convert to a permitted mobilehome park.

The project must meet all program threshold requirements listed in Section IV in this NOFA. MPRROP funds can only be used for the following types of projects/activities:

1. Disaster reconstruction loans - Construction of a new or replacement of an existing mobilehome park to replace a park destroyed as a result of a natural disaster, pursuant to HSC [§50784.6](#).
2. Acquisition and/or rehabilitation - Acquisition and/or rehabilitation of a mobilehome park by qualified nonprofit housing sponsors or local public entities only, pursuant to HSC [§50784.5](#).
3. Short-term conversion - Conversion of mobilehome park ownership to qualified resident organizations ([HSC §50783-84](#)), including permissible rehabilitation and repair costs.
4. Blanket loans for conversion to resident ownership - Assistance to low-income residents to purchase a space in a park converting to resident ownership, pursuant to HSC [§50784](#).
5. Mobilehome rehabilitation or replacement grants - Assistance to low-income residents to replace or make necessary repairs and accessibility upgrades to an owner-occupied mobilehome, pursuant to HSC [§50784.7](#).

The eligibility requirements and financing terms of these activities are detailed in Section III below.

III. Funding types and terms

The five funding types and terms are as follows:

1. Disaster reconstruction loan terms (HSC §50784.6)	
Eligible borrowers	Resident organizations, qualified nonprofit housing sponsors, and local public entities
Eligible uses	The acquisition and construction of a mobilehome park to replace a destroyed mobilehome park
Eligible project type	<ol style="list-style-type: none"> 1. The mobilehome park is to replace a park that was destroyed by a natural disaster and is on the site of or located within 20 miles from the destroyed mobilehome park 2. At the time the disaster occurred, no less than 50 percent of the residents of the destroyed mobilehome park were low-income residents 3. No less than 50 percent of the spaces in the mobilehome park to be constructed are restricted to occupancy by households with incomes not exceeding 50 percent of the area median income of the county in which the destroyed park was located
Term of loan	40 years maximum

Interest rate	3 percent simple interest per annum
Payments	Loan payments are deferred for the full term of the loan, except that the Department requires an annual payment in the amount of 0.42 percent of the loan amount to cover the costs of project monitoring
Fee	The Department charges a transaction fee of \$1,000 to cover the cost of processing these transactions. The fee may be waived or deferred at the Department's sole discretion.
Maximum loan amount	Loan cannot exceed: 1. the lower of a. The most efficient and effective use of state funds, or b. \$5 million; and 2. 115 percent of Department-approved post-rehabilitation park value, including senior debt [115 percent Combined Loan-to-Value Ratio (CLTV)].
Other loan terms	1. The borrower must agree that no less than 50 percent of the spaces are restricted to rents at a level that is affordable, as defined by HSC §50781(a), to a household earning at or below 50 percent of the area median income 2. The low-income residents of the destroyed mobilehome park are provided the right of first refusal for a minimum of 180 days. Low-income residents of the destroyed mobilehome park will have the same lease or rental terms as were in effect at the destroyed park before the park offers leases or rentals to occupy mobilehomes in the new park.

2. Acquisition and/or rehabilitation loan terms (HSC [§50784.5](#))

Eligible borrowers	Qualified nonprofit housing sponsors that are in the process of acquiring a park or that already own a park or local public entities that are in the process of acquiring a park
Eligible uses	"Acquisition and Rehabilitation" includes park purchase, rehabilitation, refinancing of short-term loans used for park acquisition and/or rehabilitation, financing costs, infrastructure improvements, park and/or resident relocation, professional fees, operating reserve, etc.
Eligible project type	Either the mobilehome park at time of application has significant outstanding violations of the Mobilehome Parks Act that threaten the viability of the park or acquisition or rehabilitation will have substantial benefit to low- and moderate-income homeowners and sponsor agrees to maintain affordable rents for low-income residents. At least 30 percent of residents at time of application are low-income residents as defined by 25 CCR §8002 .
Term of loan	40 years maximum. When a local agency acts as an interim owner and is in good faith fails to transfer the park to a resident organization or nonprofit sponsor within three years, an additional three years may be granted.

Interest rate	3 percent per annum maximum
Payments	Loan payments are deferred for the full term of the loan, except that the Department requires an annual payment in the amount of 0.42 percent of the loan amount to cover the costs of project monitoring.
Fees	The Department charges a transaction fee of \$1,000 to cover the cost of processing these transactions. The fee may be waived or deferred at the sole discretion of the Department.
Maximum loan amount	<p>Loan cannot exceed:</p> <ol style="list-style-type: none"> 1. the lower of: <ol style="list-style-type: none"> a. The minimum amount necessary to bring the park into compliance with all applicable health and safety standards and to maintain the monthly housing costs of low-income residents at an affordable level, or b. \$5 million; and 2. 115 percent of Department-approved post-rehabilitation park value, including senior debt (115 percent CLTV), and 3. 50 percent to 95 percent of the acquisition and rehabilitation costs attributable to the low-income spaces (total costs multiplied by percentage of total spaces occupied by low-income residents)*. <p><i>*To exceed 50 percent of acquisition and rehabilitation costs, applicants must demonstrate that they have made unsuccessful efforts to secure funds from other sources, and that the requested loan amount is necessary for feasibility.</i></p>
Other loan terms	<ol style="list-style-type: none"> 1. A Program of Assistance is required if it is necessary to ensure affordable housing costs for low-income residents. See 25 CCR §8008 for additional information. 2. Special requirements apply to local government purchasers; see HSC Sections 50784.5(c) and 50786.5. <p>An existing mobilehome community, which does not have a permit to operate under the Mobilehome Parks Act is eligible to apply for MPRROP financing, and if awarded, would be conditioned upon receipt of a permit using other sources of private or public funding. When a mobilehome park permit to operate has been obtained from the enforcement agency, the approved MPRROP funds can be disbursed to reimburse the temporary financing. Such disbursement must be made within 12 months of the date of award, or the award will be rescinded and the funds disencumbered.</p>

3. Short-Term Conversion Financing Loan Terms (25 CCR §8006)(HSC §50783)	
Eligible borrowers	Resident organizations.
Eligible uses	Conversion costs include acquisition cost, loan origination, appraisal, inspection fees, and other related financial costs, title and escrow fees, engineering, legal and other professional fees, expenditures required to obtain governmental approvals, relocation costs pursuant to 25 CCR §8020 , park rehabilitation costs, and contingency funds [25 CCR §8006(b)].
Eligible project type	Proposed resident-owned subdivided parks
Term of loan	Three years maximum. When a local agency acts as an interim owner and in good faith fails to transfer the park to a resident organization or nonprofit sponsor within three years, an additional three years may be granted. If park ownership is not transferred within six years, the MPRROP funds must be repaid to the Department [HSC §50784.5(b)(3)].
Interest rate	3 percent per annum maximum
Payments	Interest only during the term of the loan, unless an alternative repayment term has been approved pursuant to 25 CCR 8006(a)(2)
Other loan terms (maximum amounts)	<p>Loan cannot exceed:</p> <ul style="list-style-type: none"> • Amount required for project feasibility • 50 percent of the approved conversion costs* • 100 percent of the value of the collateral securing the loan including senior debt (100 percent CLTV) <p><i>*Up to 95 percent of the approved conversion costs of the low-income spaces (total costs multiplied by percentage of total spaces occupied by low-income residents) if approved by the Department. To exceed 50 percent of conversion costs, applicants must demonstrate that they have made unsuccessful efforts to secure funds from other sources and that the requested loan amount is necessary for feasibility.</i></p>

4. Blanket loans and the associated low-income individual acquisition loan terms for parks, which have converted or are converting to resident ownership (HSC §50784) (25 CCR §8008)	
Eligible applicants or borrowers	Resident organizations. The park must be intending to undergo conversion or have converted to resident ownership, and any subsequent resident borrower must be the registered owner of the mobilehome.
Eligible uses	Acquisition costs for individual interests, including nonrecurring closing costs (25 CCR §8010), and to reduce the housing costs for low-income residents to an affordable level.

Eligible project types	Resident-owned subdivided parks, stock cooperatives, limited equity housing cooperatives, or nonprofit mutual benefit corporations.
Term of blanket loan	40 years maximum.
Interest rate	3 percent per annum maximum.
Payments	Loan payments are deferred for the full term of the loan, except that the Department requires annual payment in the amount of 0.42 percent of the loan amount to cover the cost of project monitoring.
Application and origination process	Eligible applicants, not individual residents, apply to the Department. The individual borrowers' loans may be originated and or serviced by a Department-approved third party.
Maximum loan amount	<p>Loan cannot exceed:</p> <ul style="list-style-type: none"> • Amount required for project feasibility • 50 percent of the approved conversion/acquisition costs of the low-income spaces (total costs multiplied by percentage of total spaces occupied by low-income residents) * • 115 percent of the value of the collateral securing the loan, including senior debt. (100 percent CLTV) • \$5 million <p><i>*Individual loans may be up to 100 percent of conversion costs if low-income applicants demonstrate that they have made unsuccessful efforts to secure funds from other sources, and that without the requested loan amount, the low-income applicant is unable to purchase the individual interest.</i></p>
Other loan terms	<p>Loans are due on sale, ownership transfer, or if the homeowner moves. Cash generated by a refinance 12 months prior to the MPRROP loan closing may be required to be applied toward purchase costs.</p> <ol style="list-style-type: none"> 1. Pre-sale requirement: for subdivided parks, at least two-thirds of the total spaces must have closed escrow or be in escrow, and in compliance with Department escrow instructions, before MPRROP funds are disbursed [25 CCR §8028(b)]. 2. A Program of Assistance is required, if necessary, to ensure affordable housing costs for low-income residents. 3. All other requirements as mandated by HSC §50786(d).
Collateral	Borrowers of individual loans shall possess no less than 5 percent equity in the collateral securing the loan; equity does not include secured debt junior to the Department's loan. (25 CCR §8010).

5. Mobilehome rehabilitation or replacement grants (HSC §50784.7)	
Eligible applicants or grantees	<ul style="list-style-type: none"> Resident organizations, qualified nonprofit housing sponsors and local public entities Mobilehome park has received a loan(s) pursuant to HSC §50783, §50784, or §50784.5 for the purpose of assisting homeowners within a park proposed for acquisition or conversion Applicant demonstrates sufficient organizational stability and capacity to manage a portfolio of individual loans over an extended time period or will contract with third-party originator and/or servicer
Eligible uses	<ul style="list-style-type: none"> To assist low-income mobilehome owners residing in the park to make repairs to, make accessibility-related upgrades to, or replace their mobilehomes Eligible costs include the cost of a new mobilehome; the cost of rehabilitation of an existing mobilehome; and the cost of building permits and other related government fees, consultant services directly related to the rehabilitation, and non-recurring loan closing costs
Eligible project type	Repair of, accessibility upgrades for, or replacement of existing mobilehomes owned by low-income homeowners in a park that has previously received MPRROP funds for acquisition or conversion.
Term of blanket loan/grant	MPRROP funds will be made available as grants to resident organizations, qualified nonprofit housing sponsors and local public entities. MPRROP grant recipients will make loans to individual low-income mobilehome owners. Loans will be for a maximum of 40 years.
Interest rate of loan	3 percent simple interest.
Payments	The principal and accumulated interest is deferred for the term of the loan, except that the Department requires annual payments in the amount of 0.42 percent of the principal amount to cover the Department's monitoring costs.
Fees	The Department will charge a transaction fee of \$1,000 to cover the costs of processing these transactions. The fee may be waived or deferred at the Department's sole discretion. [HSC 50784.7 (c)(1)]
Maximum loan or grant amount	The amount necessary to assist the low-income homeowners within the park to replace a mobilehome, make needed repairs, or make accessibility-related upgrades to their mobilehomes. MPRROP assistance shall maintain the low-income homeowners' monthly housing costs at an affordable level.
Application and origination process	Eligible applicants apply to the Department, not individual residents. The borrowers' loans may be originated and or serviced by a Department-approved third party.

Other loan/grant terms	The Department and grantee shall ensure that loans or grants are adequately secured to protect state interests.
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Maximum loan amounts, as shown in the tables above, are based on total eligible project costs, the percentage of low-income residents in the park, CLTV, and program loan-to-cost limits, pursuant to [MPRROP statutes and regulations noted in this NOFA](#).

IV. Program threshold requirements

To be eligible to receive funding, projects must meet the following threshold requirements as they relate to the borrower and the project types:

1. All low-income homeowner “housing costs” are affordable, meaning where feasible, low-income residents should pay no more than 30 percent of their monthly income for “housing costs” including utilities, insurance, registration fees or property tax, mobilehome loan payments, and maintenance costs.
2. Applicants must submit their approved Board Resolutions by the application due date. The Department will NOT accept Board Resolutions after this time. No exceptions will be made to this requirement.

The application must include a completed Authorizing Resolution (AR) approved by the applicant’s governing board. The AR MUST designate a person or persons responsible for, and authorized to execute, all documents related to the application for MPRROP funds and submittal of funds requests. Please see the instructions for completing the AR, along with a sample AR, on the [MPRROP website](#). Failure to include required elements in the AR, as demonstrated in the sample resolution provided, or errors in the AR, will require execution of a corrected AR and may delay review of the submitted application and execution of the Department’s Standard Agreement for MPRROP funds.

3. Site control must be in the name of the applicant at the time the application is submitted to the Department and enforceable for at least 120 days beyond the application submittal date. The applicant must evidence site control at time of application by any of the following means:
 - Fee title
 - An enforceable purchase agreement or enforceable option to purchase or lease
 - Leasehold interest with provisions that enable the lessee to make improvements on and encumber the property, which must be for at least 15 years beyond award date, provided that the terms and conditions of any lease permit compliance with all program requirements.
 - A disposition and development agreement with a public agency or an agreement with a public agency that gives the applicant exclusive rights to negotiate with that agency for acquisition of the site.

4. Applicants seeking to convert a subdivided, condominium, limited equity housing cooperative, or stock cooperative mobilehome park must submit a Preliminary or Final Subdivision Public Report obtained from the Department of Real Estate (DRE) with their application. Applications received without such a report will not be reviewed by the Department. The only exception permissible is an application by the above-named entities for short-term conversion financing as described by [HSC §50783](#).
5. Qualified nonprofit housing sponsors must provide evidence of resident participation in the conversion and management of the park in the form of either resident participation on the board of directors of the entity that acquires ownership of the park or the establishment of, and consultation with, a permanent resident advisory board.
6. Resident organizations must include, as an attachment to the application, along with all threshold items noted above, the *Certification of Resident Support* survey indicating that two-thirds of the residents support the park conversion to resident ownership [HSC [§50781\(l\)](#)]. If the park is a subdivision, stock, or limited-equity housing cooperative and individual interests are being purchased, two-thirds of the residents must be buyers of their subdivided space or co-op membership share. Buyers must also participate as members of the resident organization at the time of funding. Membership is generally acquired as a result of purchasing an ownership interest. Applicants can download the *Certification of Resident Support* survey from the MPRROP webpage at <http://www.hcd.ca.gov/grants-funding/active-funding/mpprop.shtml>.
7. Local public entities must provide an explanation of the extent to which the project will receive below-market financing, resources, and any other assistance.
8. Other threshold requirements identified in the applicable HSC or MPRROP Regulations or Guidelines. These can be found at <http://www.hcd.ca.gov/grants-funding/active-funding/mpprop.shtml#guidelines>.

V. Financial Feasibility

The application must demonstrate financial feasibility of the whole project, including the rents from all residents and their relationship to reasonable market rents, the ability to provide affordable housing costs, including a Program of Assistance for the lowest-income households, and the impact of other financing. The application also must demonstrate that costs are appropriate and reasonable, including that MPRROP funds will be used in the most efficient manner to assist the maximum number of low-income households and that the project has the lowest possible costs given program requirements and local market conditions. In addition, the application must identify the total cost of conversion and operation and other factors, which relate to the security of the Department's financing.

VI. Application submission procedures

A. Application submission

The MPRROP application and required attachments are available at <http://www.hcd.ca.gov/grants-funding/active-funding/mprprop.shtml>.

The Department will be accepting Over-the-Counter (OTC) applications beginning **July 6, 2020**. Instructions for submittal of an application can be found on the website. All applications must be received by the Department no later than **5:00 p.m. PDT on January 6, 2021**.

Applicants must submit the MPRROP application and required attachments provided by the Department. The Department will not accept modified application forms.

Applications must meet all eligibility requirements upon submission. It is the applicant's responsibility to ensure that the submitted application is clear and accurate. Department staff may request clarifying information. No applicant may appeal the evaluation of another applicant's application.

B. Application webinar

The Department requests registration for a webinar three days in advance of the webinar. To register, please visit the Department's website at <http://www.hcd.ca.gov/grants-funding/active-funding/mprprop.shtml>. Printed materials will be available on the MPRROP webpage.

C. Disclosure of Application

Information provided in the application will become a public record available for review by the public pursuant to the California Public Records Act (Chapter 1473, Statutes of 1968). As such, the Department may disclose any materials provided by the applicant to any person making a request under this Act. The Department cautions applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

VII. Application review, approval, and commitment process

A. Review and approval

The Department will accept applications OTC until the Department has received enough eligible applications to reasonably use all the funds currently available or NOFA application deadline, whichever comes first. Once received, applications will be reviewed and projects will be rated, as defined in [25 CCR § 8014](#). The Department will review applications for loan commitments and prepare recommendations for the Internal Loan Committee (ILC). As stated in

[25 CCR 8016](#), the Department will notify applicants of the recommendation, The ILC will evaluate and make recommendations to the Director for review and to render a decision. The Director's decision is final and constitutes a conditional funding commitment. Applicants are notified in writing of the Director's decision. Notification will be sent via U.S. Mail with a concurrent e-mail transmission. If approved, the Standard Agreement will be prepared for signature.

B. Standard Agreements

Successful applicants [awardee(s)] will enter into a Standard Agreement with the Department. The Standard Agreement contains all relevant state and federal requirements, as well as specific information about the award and all pre-disbursement conditions. A condition of award will be the Standard Agreement signed and returned by the awardee within 90 days (Contracting Period) of the awardee's receipt of the Standard Agreement. Failure to sign and return the Standard Agreement within the Contracting Period may result in award cancellation. The awardee will remain a party to the Standard Agreement for the entire term of the Standard Agreement unless the awardee obtains prior written approval from the Department for a transfer or sale.

VIII. Appeal criteria and process

A. Criteria

1. Upon receipt of the Department's notice that an application has been determined to be incomplete or fails threshold, applicants under this NOFA may appeal such decision(s) to the Department pursuant to this section.
2. No applicant has the right to appeal a decision from the Department relating to another applicant's eligibility, point score, award, denial of award, or any other matter related thereto.
3. Prior Program NOFAs: The appeal process provided herein applies solely to decisions the Department makes in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

B. Appeal process and deadlines

1. In order to lodge an appeal, applicant must submit to the Department by the deadline set forth in subsection 2 below, a written appeal, which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the applicant must provide a detailed reference to the area(s) of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be accepted if this information would result in a competitive advantage to an applicant. Once the written appeal is submitted to the Department, no further information or materials will be accepted or considered thereafter.

Appeals are to be submitted to the Department either via e-mail at mprrop@hcd.ca.gov or at the following address:

Department of Housing and Community Development
Attn: MPRROP Program Staff Appeals
2020 W. El Camino Avenue, Suite 570
Sacramento, California 95833

The Department will accept appeals through a carrier service that provides date stamp verification of delivery such as the U.S. Postal Service, UPS, FedEx, or other carrier services. Deliveries must be received during the Department's weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. PDT. E-mails to the e-mail address listed above will be accepted as long as the e-mail time stamp is prior to the appeal deadline.

2. Filing Deadline: Appeals must be received by the Department no later than five (5) business days from the date of the Department's ineligibility notification.

C. Appeal decision

Any request to amend the Department's decision shall be reviewed for compliance with [HSC §50780 et seq. and Title 25 CCR §8000 et seq.](#), this NOFA, and any subsequent clarifying documents. It is the Department's intent to render its decision in writing within fifteen (15) business days of receipt of the applicant's written appeal. All decisions rendered shall be final, binding, and conclusive and shall constitute the final action of the Department with respect to the appeal.

D. Effectiveness

If the statute and/or regulations governing this program contain an existing process for appealing decisions of the Department with respect to NOFA awards made under other programs, then this section shall be inapplicable, and all appeals shall be governed by such existing authority.

IX. Standard conditions

Standard conditions for MPRROP funding require pre-disbursement and post-disbursement compliance with all conditions and requirements in the MPRROP statutes and regulations and include, but are not limited to, the following:

1. Parks to be acquired by nonprofit housing sponsors and local public entities must have the support of two-thirds of the residents living in the park except for disaster assistance loans. In a resident-owned park, the resident organization must have the support of at least two-thirds of the residents at the time of application, and two-thirds of the residents must participate as members of the resident organization prior to the time of funding.

2. If the park will be owned by a qualified nonprofit sponsor, verification is required that at the time of application, at least 30 percent of the residents in the park are low income (80 percent of area median income adjusted for family size).
3. Prior to any acquisition of the park by a nonprofit or single-purpose entity formed by the nonprofit, the Department will review and approve the final organizational structure and corporate documents. If a single-purpose entity without resident representation on the board of directors acquires title to the property, evidence of an active resident advisory board in the park must be provided to the Department.
4. Verification that either: (a) park residents are not being displaced through rent increases or other means, or (b) for conversions, displacement is being mitigated in accordance with state relocation law ([§66427.5 of the Government Code](#)).
5. Verification of the adequacy of the collateral securing the Department's loan. The Department will require a valuation performed by a DRE-licensed appraiser with a Certified General License.
6. Approval by the Department of a Phase I Environmental Site Assessment and any follow-up studies required by the Phase I Assessment. Payment for these items are the responsibility of the borrower, with reimbursement at loan closing if enough proceeds are available.
7. Projected costs, operating budget, and management plan for the conversion of the mobilehome park.
8. Execution of the Standard Agreement and loan documents as required by the Department, including but not limited to the following:
 - Promissory note, or notes, evidencing the Department's loan(s);
 - Deed of Trust;
 - Regulatory Agreement, when applicable, governing the operation of the park for the period of time required by the statute and committed to by the applicant. The Regulatory Agreement and all Deeds of Trust will be recorded at time of loan closing;
 - Loans made to a qualifying nonprofit housing sponsor or local public entity will require that a regulatory agreement be recorded; and
 - Subordination or elimination of any liens or encumbrances necessary for the Department's required loan-to-value ratio or which conflict with MPRROP requirements.
9. Issuance of a title insurance policy or policies approved by the Department insuring the Department's security interest.
10. Approval by the Department of all project costs and of the terms, conditions, and documents for all sources of funds to be used to defray these costs.

11. Approval by the Department of a first-year operating budget and 15-year cash flow analysis.
12. Approval by the Department of a Replacement Reserve Study performed in accordance with the requirements of the DRE for subdivision projects.
13. Approval by the Department of an Assistance Analysis Chart detailing for every recipient of MPRROP assistance their incomes, their housing costs, the amount of their loan or rent subsidies, and such other information as the Department may require.
14. Where MPRROP provides a loan requiring Program Assistance to reduce rents, approval by the Department of a Program of Assistance detailing the rental assistance provided to the low-income residents.
15. Approval by the Department of the property management company that will manage the park upon loan funding; any and all contract(s) executed by the company relating to its management duties; and management plan developed by the ownership entity and/or management company, including resident lease agreements, park rules, and resident grievance and appeal process.
16. If any rehabilitation or construction work is planned in connection with the conversion, approval by the Department of the scope of work, detailed budget, construction contractor, and the construction contract documents.
17. If financing to individual residents will be made, approval by the Department of a third-party loan originator and/or servicer, and the contract for those services.
18. Approval by the Department of all professional services contracts entered into or to be entered into in connection with the acquisition, conversion, and rehabilitation.
19. Approval by the Department of the borrower's organizational documents, and other legal documents. If required by the Department, issuance of an opinion of the Borrower's counsel addressing such legal issues as deemed necessary by the Department.
20. Verification of hazard, liability, flood, and fidelity insurance coverage in accordance with Department requirements.
21. Verification that all required governmental approvals have been received, including, as applicable, approvals by local planning agencies, the DRE and/or the Department of Corporations.
22. Applicants who include loan origination and/or servicing agreements must assure the Department that the loan originator meets the minimum standards for licensing and registering as a mortgage loan originator, as required under the Secure and Fair Enforcement Mortgage Licensing Act of 2008 ("SAFE Act") implemented in California by SB 36.

23. Application for or a current Permit to Operate through the Department of Housing and Community Development Codes and Standards branch unless the park is obtaining the Permit in accordance with an Acquisition and/or Rehabilitation Loan as specified in Section II.B.
24. Verification that maintaining an operating reserve account that is sufficient to:
 - (1) pay all current operating expenses;
 - (2) pay all current debt service (excluding deferred interest);
 - (3) fully fund all reserve accounts (other than the operating reserve account) established pursuant to the Regulatory Agreement; and
 - (4) pay other extraordinary costs permitted by the Regulatory Agreement.