

(APPLICATION COVER PAGE)

PRICE Main Application

Applicant: State of California

Table of Contents

Narrative Exhibits

Exhibit A - Executive Summary	3
Exhibit B – Threshold Requirements and Other Submission Requirements	6
Exhibit C – Need	8
Exhibit D – Soundness of Approach	17
Exhibit E – Capacity	32
Exhibit F – Match or Leverage	45
Exhibit G – Long-term Effect	47

Required Attachments

Attachment A - Advancing Racial Equity	50
Attachment B – Affirmative Marketing	53
Attachment C – Affirmatively Furthering Fair Housing	55
Attachment D – Eligible Applicants Documentation	58
Attachment E – Evidence of Partnership Letters (to mark as n/a)	60

Optional Attachment(s)

Attachment I – Citations	61
--------------------------	----

Exhibit A – Executive Summary

PRICE Main Application

Applicant: State of California

Manufactured housing provides a significant source of affordable homeownership for low-income California residents. The median household income for manufactured housing residents is lower than any other permanent structure type¹. However, across California, mobilehome parks are faced with increasing costs of development, combined with the costs of financing and operation, the costs of insuring in hazard areas, risk of unit loss or conversion, and substandard conditions. This has put many residents at the risk of displacement and can render mobilehome park living unaffordable to those most in need of affordable housing².

These are common themes across the state, but California is a diverse state with a mix of geographies, each with its own unique challenges. California's metropolitan areas contain the vast majority of mobilehome parks, where residents are faced with high costs of living and displacement. These parks face pressure to raise rents or convert to other uses due to the high cost of land. In California's rural areas, manufactured units make up a greater percentage of the housing stock, as much as 23.5 percent in some areas³. Rural counties come with their own unique challenges including property loss due to disasters, lack of resources and investment, high rates of unemployment, and low capacity.

Without financial support, many mobilehome parks are confronted with suspension or closure because they are unable to replace or repair disaster-impacted units, correct health and safety violations, or prevent conversion of their homes to other uses. Accordingly, the California Department of Housing and Community Development (HCD), on behalf of the State of California, is applying to the U.S. Department of Housing and Urban Development's (HUD's) Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Main Competition, which appropriates \$225 million in competitive grant funding for the preservation and revitalization of manufactured housing and eligible manufactured housing communities. HCD is applying for the maximum award of \$75 million under the PRICE Main competition, with proposed funding targets and extended application windows for rural and tribal communities, as well Colonias.

HCD is well-suited to administer the PRICE program. Created in 1965 and headquartered in Sacramento, California, HCD awards loans and grants to public and private housing developers, nonprofit agencies, cities, counties, and other partners. This funding supports the development and preservation of affordable rental housing and ownership opportunities, public facilities and infrastructure improvements, permanent supportive housing options, and stable and safe shelter for those experiencing homelessness.

HCD, through its Division of Federal Financial Assistance (DFFA), is the principal state department responsible for coordinating federal-state relationships in housing, homelessness, community development, and the administration of HUD-funded grant programs. HCD has hands-on experience implementing large one-time HUD programs and managing Community Development Block Grant (CDBG) funds, which is the program that will serve as the statutory and regulatory framework for the PRICE program.

DFFA is the lead administrator for HUD Office of Community Planning and Development Annual and Disaster Recovery (DR) funds for the state, having administered over \$5 billion in funding over the last five years. HUD predominately delegates administration of these programs to HCD to serve California's smaller, more rural non-entitlement jurisdictions (those that do not receive

funding directly from HUD), Tribal communities, Colonias (disadvantaged communities along the US-Mexico border), other low-capacity communities, and communities impacted by disaster.

HCD also plays a major role in California's manufactured housing landscape. In 2023, HCD launched the state-funded Manufactured Housing Opportunity & Revitalization (MORE) program, a first-in-the-nation initiative. The MORE program was established to fund a variety of activities similar to the PRICE program. This highly successful program had to close its application window early due to an oversubscription of \$130 million, indicating an unmet need to preserve and revitalize mobilehome parks in California. The MORE program has already laid a framework for the PRICE program and will serve as a valuable partner if HCD is awarded the PRICE grant.

HCD has also taken a proactive and equitable approach to addressing the unmet needs of mobilehome owners in DR. For example, the CDBG-DR program allocated \$31 million to a newly created replacement and elevation program to address the unmet need of manufactured housing units damaged by recent storms that hit the coast of California. However, this funding only covers a small portion of the estimated \$316 million in total need.

HCD, through its Codes and Standards Division, manages the titling and registration of manufactured homes. HCD also inspects mobilehome parks for health and safety violations in areas where the local government has not assumed enforcement. HCD's Mobilehome Assistance Center receives and processes complaints related to mobilehomes and protects consumers by enforcing regulations for those who build and sell manufactured homes. HCD also handles the mobilehome modification permitting process and provides a number of resources for mobilehome residents and owners. Codes and Standards has been a willing partner in the preparation of this application and will continue to be if HCD is awarded the PRICE grant.

Resources are urgently needed to allow California to continue its efforts to preserve and revitalize mobilehome parks and manufactured homes across the state. Through the PRICE program, HCD will continue to prioritize vulnerable communities and Low- and Moderate-Income (LMI) households by focusing on mobilehome parks with health and safety conditions and those that are at high risk of closure or conversion. In fact, HCD is proposing to commit an additional \$5 million in funding to the PRICE program. If fully funded, combined with these leveraged funds, HCD expects to assist nearly 700 households, including nearly 570 LMI households. These efforts demonstrate HCD's commitment to the preservation and revitalization of manufactured homes. HCD also has the demonstrated capacity and experience and has the support, framework, policies, and procedures in place to make PRICE a success.

Note: Citations and notes are available in Attachment I.

Exhibit B – Threshold Requirements and Other Submission Requirements

PRICE Main Application

Applicant: State of California

Section III.D. Threshold Eligibility Requirements

1. **Resolution of Civil Rights Matters:** HCD has no outstanding civil rights matters.
2. **Timely Submission of Applications:** HCD has submitted its application by the submission deadline.
3. **Eligible Applicant:** State of California, State Government
4. **Number of Applications:** The state is only participating in this application. If awarded, no community or project area will be assisted by more than one PRICE grant.

Section IV.G. Other Submission Requirements

1. **Standard Application, Assurances, Certifications and Disclosures:** HCD certifies to all required certifications, assurances, certifications, and disclosures which are included in Attachment G. HCD has also included the Affirmatively Furthering Fair Housing narrative, which is included in Attachment C.
2. **Other Program-Specific Requirements:** HCD certifies it will comply with fair housing and discrimination, limited English proficiency, physical accessibility, environmental review, and affordability requirements required in this Notice of Funding Opportunity and that which may be required by federal and state law.

Exhibit C - Factor (a): Need

PRICE Main Application

Applicant: State of California

Are you applying for PRICE Main, PRICE Replacement Pilot, or both categories of funding?

PRICE Main Only

What is your project area and the need for affordable housing within it?

The geographic area for this application is the State of California. The California Department of Housing and Community Development (HCD) has analyzed and provided an assessment of the state's need for affordable housing below. Needs data comes from a variety of internal resources including the California Statewide Housing Plan (SHP), 2023 Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan, and HCD Manufactured Housing Opportunity & Revitalization Program (MORE) data.

HCD also has at its disposal the Manufactured Housing Communities (MHC) Risk Assessment tool, developed by the California Coalition for Rural Housing (CCRH). The tool provides statewide MHC risk data based on a variety of risk factors, including high commercial activity or park closure rates. HCD also consulted with internal stakeholders from CDBG-DR, MORE, and the Codes and Standards Division, as well as external stakeholders including CCRH, one of the oldest state low-income housing coalitions in the country, and ROC USA, a non-profit social venture scaling resident ownership of manufactured home communities.

California's Housing and Affordability Crisis

California is a diverse state facing an ongoing housing and affordability crisis caused by an undersupply of housing, extreme supply and demand challenges, disaster impacts, poor land use planning, and historical patterns of segregation and exclusion. For example:

- Between 2013-2019, housing affordability in California hovered around 31 percent. Since the pandemic, housing affordability has dropped to 15 percent overall and although housing costs vary by region, more than one third of California households cannot afford their homes^{6,7}.
- The U.S. Census Household Pulse Survey indicates that approximately 400,000 Californians are at risk of eviction or foreclosure in the next two months, which is the highest rate in the nation and ten percent of the total nationwide.
- The loss of affordable housing for low-income households is happening at an alarming rate. The California Housing Partnership estimates that since 1997, roughly 18,000 affordable rentals have been lost and that there are 30,000 more at risk of conversion⁸.

The lack of affordable housing increases economic insecurity and can force families to spend less on basic necessities, accept substandard housing, or overcrowd. In fact, California has some of the highest rates of overcrowding in the country⁸. The growing number of households facing rising housing costs and cost burdens is also contributing directly to the state's high poverty rate and homelessness crisis.

Renters are much more likely to face housing hardship than homeowners¹⁰ and the lack of supply and high cost of homeownership has led to an increase in rental demand, putting pressure on an already tight rental market. For example:

- The current vacancy rate for rentals is only 3.9 percent statewide⁴.
- Monthly rents have grown significantly in recent years, particularly in Southern California. Five out of ten metro areas in the country with the highest median rent are in California, including San Jose and San Francisco, which topped out at almost \$3,000 per month^{8,13}.
- From 2000 to 2022, California's median rent increased 37 percent, while median renter income increased by 7 percent¹².
- California's monthly rent is about 50 percent higher than the rest of the country¹³.

With rising rents, Californians are forced to spend a larger share of their income on rent than households in the rest of the nation at every income quartile. This has contributed to the state having one of the highest poverty rates in the nation. There are one million renter households with incomes below 30 percent of the area median with one or more severe housing problems. This accounts for 20 percent of renter-occupied housing units. Households identifying as Black or African American are disproportionately represented among these households relative to their share of the overall population of California, and relative to the percentage of Black/African American households living in poverty in the state¹¹.

Homeowners are feeling the pinch too:

- There is only a one percent homeowner vacancy rate in California⁴.
- Median home prices are the highest in the nation¹⁵.
- A recent California Budget and Policy Center reports that 38 percent of homeowners with mortgages are cost-burdened, and 17 percent of those homeowners are severely cost-burdened (50 percent of their income toward housing costs)¹⁶.
- California has the lowest homeownership rate of any state in the country¹⁷.
- California's high housing costs contribute to lower homeownership rates, particularly for households of color. Only 36 percent of Blacks are homeowners compared to over 60 percent for non-Hispanic whites⁸.

To ease the crunch, HCD estimates that 2.5 million homes are needed, including no less than one million homes for lower-income households⁴. However, higher interest rates and construction costs have put pressure on the housing market. While high interest rates are cyclical, rising construction costs are an annual trend, meaning fewer homes are going to be economically feasible to build, likely compounding housing affordability and supply for the long term¹⁴.

Manufactured Home Landscape

It is estimated that there are over a million California residents living in approximately 4,000 registered mobilehome parks, the second highest in the nation^{18,19}. This accounts for approximately 350,000 of the over 500,000 units across the state. However, there are approximately 200 Resident-Owned Communities (ROC) in California¹⁹. Overall, manufactured housing units account for

approximately four percent of the housing stock across the state, but account for a greater percentage of the housing stock in California's rural counties, as much as 23.5 percent in some counties³. Manufactured housing also represents an estimated 12 percent of the housing units, on average, on tribal land³. That could equate to more than 40,000 units on tribal land in California.

California's¹⁵ HUD-approved Colonias have a high percentage of manufactured housing, as high as 28.8 percent⁹. In the community of Salton Sea Beach, manufactured housing makes up nearly the entire housing stock⁶. These communities located within the US-Mexico border region suffer from insufficient infrastructure, and the vast majority of residents are Latino and generally have high poverty rates^{5,9}.

Manufactured housing can provide a significant source of affordable homeownership for low-income California residents.

- The median home value in California is \$573,200, compared to only \$87,900 for manufactured housing³, while 47 percent of manufactured housing is considered affordable compared to only 18 percent of all housing types¹.
- The monthly housing costs for manufactured homeowners can be 2.5 times less compared to all homeowners¹.
- Manufactured housing is also home to the lowest income households; the median household income for manufactured housing residents is lower than any other permanent structure type¹.

However, across the state, mobilehome parks are faced with the increasing costs of development and construction, combined with the costs of financing and operating these parks, the costs of insuring in hazard areas, low vacancy rates, and substandard housing. This can render mobilehome park living unaffordable, particularly to those residents most in need of affordable housing². The concentration of mobilehome residents in mobilehome parks exposes residents to the risk of housing instability, particularly when landowners opt to raise rents. Such increases can significantly burden homeowners, especially those with limited financial resources, who may struggle to relocate their mobilehomes.

Without financial support to remedy some of these issues, many parks are faced with suspension or closure because they have health and safety violations due to being unable to afford to correct them. Below are some facts on mobilehomes in California:

- The creation of new MHCs has slowed drastically in recent decades, with the average age of existing communities now at 43 years²⁰.
- CCRH estimates that 4,700 mobilehomes have disappeared in the last ten years in California (as of 2019)²¹.
- There are approximately 266 parks at a very high risk of conversion. Of the 266 parks, 86 percent are in counties considered metropolitan areas¹⁸.

- There are currently 42 parks that are at risk of closure due to the inability to correct health and safety violations. This equates to a need in the range of \$5 million to \$200 million, depending on number of units¹⁸.
- More than 50 percent of mobilehomes are over 40 years old¹, meaning as many as 250,000 units cannot even be rehabilitated and must be replaced (homes older than 1976).

Manufactured Housing Opportunity and Revitalization (MORE) program

The MORE program was established in 2022 to finance the acquisition, conversion, rehabilitation, and replacement of mobilehome parks and units. HCD received 53 applications requesting \$265 million. However, they were only able to fund 28 projects at a total cost of approximately \$133 million. This equates to a modest investment of \$97,000 per unit at an average of \$4.8 million per project. The program is expected to assist nearly 4,000 individuals and approximately 1,370 units, including 906 units restricted at 80 percent Area Median Income (AMI) for 30 years. However, this has left at least 25 projects and programs in need of \$130 million in funding.

Disaster Vulnerability and Recovery

The state is vulnerable to a wide range of natural and non-natural hazards. California has experienced 72 federal disaster declarations since 2018 (as of June 1, 2023) across three types of declarations (major disaster (5), emergency (13), and fire management assistance (54))²². This has impacted 35 counties while HCD has received funding to address priority unmet needs in only 18 counties during that time¹⁸.

Disasters exacerbate existing problems in communities, particularly as protected classes have fewer resources to rebound from them. With high housing costs across the state and limited options available, disasters further tighten already stressed housing markets. Due to lack of available housing, many disaster survivors, if financially able, move out of the area or state, while others are forced to live in temporary housing or lose their home²³. In fact, the US Census Household Pulse Survey estimates that over 200,000 California households were displaced by natural disasters last year, the third highest of any state. However, due to a lack of alternative housing options, some are forced to live in damaged units²³.

Mobilehomes are more vulnerable to disasters than permanent residential structures due to structural deficiencies and an increased likelihood of being in exposed, higher-risk areas. Residents of manufactured housing in disaster areas and disaster-prone areas are more vulnerable due to language issues, mobility issues, and often lack the ability to recover as quickly due to limited income and high housing costs. Mobilehome parks take can take longer to recover due to lack of funding options and difficulty in getting insurance in disaster prone areas²³.

In accounting for the 2023 storms that impacted 15 counties across the state and the 2018 Camp Fire in Butte County (the most destructive in state history), over 2,500 mobilehome and manufactured housing units have been damaged or destroyed in the past five years alone. The estimated cost to mitigate damaged and destroyed manufactured housing stock was in the range of

\$450 million, based on data from HCD's Model - Cost Estimator for Rebuilding Mobilehome Parks developed for the Camp Fire and the 2023 CDBG-DR Action Plan^{18,22}.

Is your project within or does it include any communities that meet distress criteria?

In accordance with Notice of Funding Opportunity (NOFO) requirements, HCD has identified the following California geographic areas (e.g., counties) that qualify under distress criteria listed below, with data and description of impacts on the availability of housing.

Poverty

According to U.S. Census data, there are two California counties (Imperial and Madera) that qualify under the poverty distress criteria (percentage of the population living in poverty is at least 20 percent). An additional 10 counties are within the margin of error for the 20 percent requirement for a total of 12 distressed counties based on poverty criteria. Eleven of these counties (all but Humboldt) also meet the unemployment distress criteria described below. Across all 12 counties, there are:

- 573,782 residents below the poverty level²⁴;
- An estimated 570 mobilehome parks in these counties, accounting for approximately 15 percent of the statewide total¹⁸; and
- Manufactured housing makes up approximately eight percent of the housing stock in these counties, which is higher than the state average of approximately four percent²⁴.

When accounting for housing costs and housing cost-burden, California has the highest poverty rate in the nation at 13.2 percent²⁵. The high cost of housing is a primary driver of California's high poverty as more of people's income is going to housing costs.

Throughout the state, many individuals affected by unaffordable housing are people of color. Among all Californians paying more than 30 percent of income towards housing costs, more than two-thirds are people of color³⁵. Statewide, 12 percent of households with incomes below 30 percent of AMI and with one or more severe housing problems are identified as Black/African American, compared to six percent of the population of California overall and nine percent of California's population in poverty¹¹. Poverty rates for tribal populations are more than twice the rate for California, leaving tribal populations with fewer resources to pay for housing and other necessities⁴.

Unemployment

Thirty-two of California's 58 counties qualify under the unemployment distress criteria, as defined in 12 Code of Federal Regulations (CFR) 1805.201(b)(3)(ii)(D). The U.S. unemployment rate (March 2024) sits at 3.8 percent while California has the highest unemployment rate in the country at 5.3 percent²⁸. By race and ethnicity, the March unemployment rate for Blacks was 7.1 percent, Hispanics was 5.3 percent, and 4.8 percent for Whites²⁹.

In California, cooling inflation has coincided with a slowdown in labor force growth and the unemployment rate has risen steadily by nearly a full percentage point and a half since August 2022, roughly the same time when California's unemployment rate returned to pre-pandemic levels. California's unemployment rate is now higher than it was prior to the pandemic^{30,31}.

Unemployment is both an urban and a rural issue in California. Half of the 32 counties that meet the distress criteria are rural counties^{33,34}. Of California's 22 rural counties, 17 have unemployment rates higher than the state, while all 22 rural counties have rates higher than the U.S.³⁴. It is estimated that these 32 counties contain almost 1,275 mobilehome parks, accounting for approximately 32 percent of the mobilehome parks statewide¹⁸.

Median Family Income

According to the 2022 U.S. Census Data, 9 of California's 26 metropolitan areas and 20 of 29 California's non-metropolitan areas qualify under the median family income distress criteria, as defined in 12 CFR 1805.201(b)(3)(ii)(D). This means 69 percent of non-metropolitan areas and 53 percent of all areas (metropolitan and non-metropolitan) meet the distress criteria for median family income²⁶.

Housing costs vary across the state and are unaffordable everywhere for the lowest-wage workers, while 80 percent of low-income households in California are cost burdened³⁵. Across the state, household incomes have not kept pace with housing costs. Between 2000 and 2019, home values increased by 180 percent, while median household incomes increased by only 23 percent over the same time period⁸. As the data shows, these impacts are not limited to just the metropolitan areas. Outside metropolitan areas housing costs may be lower, but incomes can also be lower.

Does your proposal increase resilience in any disaster-prone areas?

The state has been significantly impacted by natural disasters over the last five years and there are a significant number of disadvantaged communities vulnerable to disaster. In accordance with NOFO requirements, HCD has identified 51 Federal Emergency Management Agency (FEMA) Community Disaster Resilience Zones across 17 of California's 58 counties. This accounts for 10 percent of the total zones nationwide³⁶. Within these zones, there are an estimated 69 mobilehome parks accounting for 6,377 mobilehome spaces for an average of 92 spaces per park¹⁸.

These zones (census tracts) receive their designation based on a composite National Risk Index (NRI) score in the top 50 nationally, or in the top one percent within the state, and are also considered a disadvantaged community per the federal Climate and Economic Justice Screening Tool. Here is a summary of the NRI factor scores for those 17 counties³⁷:

- Drought: 11 of the 17 counties had a relative or very high score.
- Earthquake: 12 counties had a relatively or very high score.
- Heat Wave: 8 had a relatively high score.
- Landslide: 11 had a relatively or very high score.
- Riverine Flooding: 10 had a relatively or very high score.

- Wildfire: 10 had a relatively or very high score.

HCD regularly invests in California’s disaster impacted and disadvantaged communities and will continue to prioritize these communities with PRICE funding. Projects in these communities will be eligible for the PRICE program.

Consistent with the activities proposed in *Factor (b): Soundness of Approach (Exhibit D)*, funding will be made available for mitigation and resiliency activities that support households impacted by disaster, including the relocation of displaced residents or replacement or rehabilitation of lost or damaged units or parks. These communities will also benefit from HCD’s proposal for voluntary buyout and relocation planning activities for communities with mobilehome parks in designated disaster-impacted or hazard prone areas. The funding will also be made available to support disadvantaged, underserved, and vulnerable populations, including in Colonias and Tribal communities, through repair and rehabilitation of units and facilities to improve substandard and health and safety conditions.

What are the barriers to manufactured housing preservation or revitalization in your project area?

High Land Values and Risk of Conversion

CCRH estimates that over 700 communities have closed in the last 10 years and over 4,700 mobilehome spaces have disappeared, while many more are at risk of closure or conversion. With the recovery of the housing market, these communities are being marked by owners and investors for acquisition and conversion to other uses, leading to the displacement of many low-income residents and putting thousands of others at risk. For many, moving into new communities or upgrading their homes will be impossible and there are no other affordable options for owning or renting outside of these parks in the communities where they live²¹.

Supply and Production of Affordable Homes

HCD’s Final 2020 Analysis of Impediments to Fair Housing Choice found that the state’s inadequate supply and production of affordable homes disproportionately impacts low-income households and individuals and families based on their protected characteristics such as race, familial status, national origin, and disability status.

Challenges for Resident-Controlled MHCs

The MORE program was created by the California State Legislature in 2022 to replace the Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP). MPRROP was originally established in 1985 as a solution for continuous rent hikes, poor management practices, and mobilehome park closures. MPRROP offered low-interest loans to help finance the conversion of mobilehome parks to ownership or control by resident organizations, nonprofit housing sponsors, or local public entities. Due to increased land costs paired with an expanding market dominated by investor-buyers, accomplishing resident ownership has become substantially more difficult. MORE revamped MPRROP by expanding its eligible uses and eligible applicants.

Financing Challenges

Owners of manufactured homes are less likely to have a mortgage and, presumably, more likely to have a personal property loan (chattel loan, movable property). These types of loans tend to have higher interest rates, shorter prepayment periods, and fewer protections for owners. Homes financed with personal property loans tend to be titled as personal property, like cars. In many cases, lenders use depreciation tables, similar to those in the auto industry, to value existing homes, leading to losses in value for the owner. This makes it much harder for homeowners to build wealth through homeownership¹. The manufactured home acts as collateral for the loan. If a person defaults, the lender can take possession of the house and sell it to pay off the loan³⁸. From a community standpoint, it can be difficult for park owners to obtain affordable financing, if at all, for rehabilitation and repair efforts.

Disaster Vulnerability, Substandard Conditions, Lack of Investment

FEMA's damage assessment for the 2023 Storms estimated that \$24 million would be needed just for elevating impacted units and indicated that those living in manufactured homes and LMI renters are the most acutely vulnerable populations in the impacted areas and are not accounted for in FEMA's datasets.

There are also an estimated 1,856 mobilehome parks (47 percent of mobilehome parks statewide) in the eight counties considered very high risk for natural hazards (flooding, strong wind, severe storm, heat and drought, winter and cold, geological) according to FEMA's NRI, which accounts for expected annual loss, social vulnerability, and community resilience³⁷. In all, there are 29 counties with a relatively high or very high index score, the most of any state in the country.

Additionally, it is estimated that 75 percent of mobilehomes in California were built before 1990. Households living in older housing units are often low-income and/or minority households. Those in hazard-prone areas are particularly vulnerable to major loss with little to no protection—the ability to obtain affordable homeowner insurance to cover against natural disasters is increasingly difficult. These households need ways to reduce disaster risk and increase climate resilience. With the impacts of climate change, more and more communities, once in low-risk areas, are now vulnerable⁴.

Finally, California Senate Bill (SB) 244, passed in 2011, specifically recognized that many disadvantaged unincorporated communities, including Colonias, lacked adequate investment in infrastructure such as sidewalks, safe drinking water, and adequate waste processing. This lack of adequate investment threatens both health and safety of residents and creates inequity in terms of access to quality service. The bill recognized that CDBG is a robust and continuous source of funding for drinking water, wastewater, and other basic infrastructure.

Note: Citations and notes are available in Attachment I.

Exhibit D – Factor (b): Soundness of Approach

PRICE Main Application

Applicant: State of California

PROJECT DESCRIPTION, MANAGEMENT, AND IMPACT

What are your vision and goals?

Vision: The California Department of Housing and Community Development's (HCD's) vision of the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program is to create, preserve, and revitalize manufactured housing communities (MHC) and mobilehome parks with the intent to keep them as a sustainable and long-term source of affordable housing for Low- and Moderate-Income (LMI) households.

Goals and Objectives:

1. Improve health and safety of existing mobilehome parks;
2. Prioritize mobilehome parks most at risk of conversion, suspension, or closure;
3. Design and implement the program using a resiliency and equity-centered approach;
4. Support and invest in underserved communities and households;
5. Increase capacity of subrecipients and grantees through technical assistance;
6. Continue HCD's efforts to provide safe, affordable housing for all Californians; and
7. Bring awareness to the demand and unmet need for preserving manufactured housing.

To achieve these goals, the PRICE program will allow for a variety of eligible activities, prioritizing the communities and mobilehome parks most in need and that are not already being served by another PRICE awardee. Based on the HCD Manufactured Housing Opportunity & Revitalization (MORE) program applicant pool and the proposed activities described below, those expected to apply to the program are jurisdictions, non-profit organizations, private park owners, resident cooperatives, and Tribes. Local governments and subrecipients may also be eligible applicants depending on the activity.

Meeting a National Objective

In accordance with Notice of Funding Opportunity (NOFO) requirements, applicants must describe how proposed activities are eligible and will meet a National Objective. Federal regulations stipulate that before any activity can be funded in whole or in part with Community Development Block Grant (CDBG) funds, it must be determined that the activity is eligible under Title I of the Housing and Community Development Act of 1974 (HCDA), as amended. In addition, CDBG requirements mandate that to be eligible each funded activity must meet one of the three established National Objectives including:

- Low/Mod: Provide benefits to low- and moderate-income persons. The Low/Mod National Objective is divided into four sub-categories including area benefit, limited clientele, Low/Mod Housing (LMH), or low/mod jobs;
- Slum/Blight: Aid in the prevention or elimination of blight; or
- Urgent Need: Provide funding for projects that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

It is expected that the activities will primarily fall under the LMH National Objective. Regardless of the activity type, HCD will demonstrate that each proposed activity will meet a National Objective. As the administrators of the state's CDBG program, HCD has first-hand knowledge

and experience managing the CDBG program consistent with federal regulations, including National Objective requirements. All National Objective requirements are incorporated into agreements with grantees and HCD monitors this requirement for compliance.

Which eligible activities will you use to address the needs described in Factor (a) [Need]?

Based on feedback from internal and external stakeholders and the unmet need detailed in this application, HCD will prioritize eligible mobilehome parks and MHCs that are at a high risk of conversion to other uses or closure due to health and safety violations, have suspended permits to operate, or have been impacted by disaster. Accordingly, HCD is proposing the following activities:

- Acquisition (including expansion) and conversion of existing eligible mobilehome parks to create or maintain affordability of mobilehome parks for LMI households.
- Acquisition and construction of new mobilehome parks to support the relocation for displaced residents of mobilehome parks or units previously damaged or destroyed by a natural disaster.
- Activities for a) eligible mobilehome park or MHC projects or b) individual or scattered mobilehomes or manufactured housing units on tribal lands or in designated Colonias include:
 - Repair or rehabilitation of park facilities (park projects only) and units that have existing health and safety violations, substandard infrastructure, housing conditions, or have been damaged or destroyed due to a previous natural disaster.
 - Accessibility, efficiency, mitigation, resiliency, or site (e.g. utility connections or improvements) improvements for units or a site in order to address existing substandard conditions, correct violations, or mitigate disaster or climate vulnerabilities.
 - Replacement of units that are older than 1976 or for which the cost of repair or rehabilitation would cost more than replacing the unit.
 - Elevation of units in designated flood prone areas.
- Voluntary buyout and relocation planning for communities with eligible mobilehome parks in designated disaster areas or hazard-prone areas.
- Administrative costs for administering the grant and technical assistance to program applicants and awardees regarding the application, award, or implementation process.

The proposed activities will address the needs identified in this Exhibit and *Factor (a): Need (Exhibit C)*, with the intent to increase the availability and affordability of manufactured housing, increase resilience in areas prone to natural or man-made hazards, and support equity and capacity building with lower capacity grantees.

Notes:

- Assistance to private entities or park owners will only be allowed under special circumstances including, but not limited to, lack of other financial resources.
- Individual residents or homeowners will not be eligible for direct assistance but may be assisted through another eligible entity.

- Demolition is an eligible cost and activity if it is part of an eligible activity listed above. Where demolition is part of a PRICE-funded activity, compliance with this NOFO and HCDA Section 104(d) (42 U.S.C. 5304(d)) is required.
- Although it is not the intent to displace residents, there may be situations where an activity necessitates the temporary relocation of residents. Relocation costs will be an eligible expense on a case-by case basis. Projects with relocation will be required to follow all state and federal displacement and relocation requirements, including 24 Code of Federal Regulations (CFR) part 570.606 and 24 CFR part 42. Recipients will be required to certify that they will comply with these requirements and submit a relocation plan to HCD to ensure it is consistent with relocation requirements.
- HCD's CDBG program requires that real property acquired with CDBG funds must meet the same National Objective for which it was purchased for no less than five years from the date of acquisition. HCD may require a use restriction be recorded against real property or a chattel acquired or improved for activities that include acquisition or rehabilitation.

HCD will put in place the policies and procedures to ensure that all activities are carried out in compliance with PRICE program NOFO requirements; CDBG program requirements; HOME Investment Partnerships Program (HOME) requirements described within this NOFO; and HUD Community Planning and Development (CPD) notices as applicable including, but not limited to, Notice CPD-2023-10, which states that to be eligible for CDBG funding, manufactured housing must be part of the community's permanent housing stock.

Eligible activities may be adjusted based on a) feedback provided during the community engagement period, if awarded the grant, or b) if it is determined that the activities are too limited or restrictive. Post-award, for any substantial amendments, HCD will follow the same public participation requirements used for the preparation and submission of this application. HCD will work with HUD to ensure any proposed changes are consistent with this NOFO, and all applicable regulations and federal law.

Any Notices of Funding Availability (NOFAs) issued by HCD will specify eligible applicants, eligible activities, minimum and maximum funding amounts, application thresholds and evaluation criteria, program requirements, and will provide instructions on how to submit an application. Application review will consist of a threshold, rating and ranking, and feasibility review to ensure proposed projects are feasible, if applicable. Applicants will be evaluated to determine if they have the financial capacity and experience to carry out the proposed activity.

What is your timeline and key tasks along that timeline?

Fiscal Year (FY) 2024-2025 (Federal FY: October 1, 2024 – September 30, 2025)

- Expected award, enter into agreement with HUD.
- Submit and receive approval of PRICE Action Plan.
- Hire and train staff.
- Procure contractors and subrecipients, if needed.
- Stakeholder engagement.
- Develop NOFA(s), application templates, and other program related documents.

FY 2025-2026 (October 1, 2025 – September 30, 2026)

- Stakeholder engagement (continued).
- Develop NOFA(s), application templates, and other program related documents (continued).
- Launch PRICE program webpage on the HCD website.
- Issue NOFA(s).
- Pre-Application outreach, workshop, webinars.
- Receive and score applications and make awards.

FY 2026-2027 (October 1, 2026 – September 30, 2027) through FY 2028-2029 (October 1, 2028 - (September 30, 2029)

- Make awards (continued).
- Draft and execute contracts, agreements, and other applicable documents.
- Implementation of the HCD’s PRICE program activities.
- Ongoing monitoring and reporting.
- Process requests for disbursements and standard agreement amendments.

FY 2029-2030 (October 1, 2029 – September 30, 2030)

- Program closeout and ongoing monitoring and reporting (continued).

What is your budget?

Activity	Funding Amount	Percentage of PRICE Grant	Source
Eligible site and unit acquisition, rehabilitation, replacement, elevation, improvement activities	\$67,305,865	89.74	PRICE
	\$5,000,000	N/A	State of CA
Planning	\$250,000	0.33	PRICE
Administration and Technical Assistance*	\$7,444,135^	9.93	PRICE
Total	\$80,000,000	100	

Notes:

* Administrative and Technical Assistance costs are capped at ten percent of the PRICE grant.

^ Expected maximum administrative costs, including maximum allowed ineligible cost rate, over six years. Final number may change depending on technical assistance needs, whether staff costs are billed as delivery rather than administrative, whether a different ineligible cost rate is approved or ineligible costs come in lower, or the timing of staff recruitment and hiring.

HCD will deliver funding through grants, forgivable loans, or deferred loans depending on the entity and project type. These methods are standard practice and are supported by the experience of HCD in delivering state and federal funding.

Program Income (PI) generated from any project loan payments will be allocated to the continuation of PRICE activities, as applicable. In addition, up to ten percent of PI generated may be used to pay for administrative and technical assistance costs. To the maximum extent feasible, PI will be used or distributed before withdrawals are made from grant funds. In accordance with the PRICE NOFO, HCD may allow a local government or Tribe to retain the PI on a case-by-case

basis. PI will be managed through agreements with awardees and tracked in the Disaster Recovery Grant Reporting System (DRGR).

What are the projected impacts of your activities if implemented?

There are approximately 4,000 registered mobilehome parks across all 58 counties in California. There are only approximately 200 resident-owned communities statewide – less than one percent of the total^{18,19}. Many mobilehome parks provide the only source of unsubsidized affordable housing in their communities. Based on available data and feedback from stakeholders, the primary concerns regarding mobilehome parks and manufactured housing are:

- Mobilehome parks that have substandard conditions or insufficient infrastructure, putting these parks at risk of suspension or closure.
- Displacement of residents of mobilehome parks that are at risk of unsustainable rent increases or conversion in high-cost areas due to commercial interest.
- There are many mobilehome parks and manufactured housing units that have been impacted by disasters and have been unable to recover.

The success of the MORE program demonstrates the demand and unmet need for preserving and revitalizing mobilehome parks as a source of long-term affordable housing. The PRICE program comes at an opportune time as there is no new funding currently proposed for the MORE program due to predicted state budget shortfalls. HCD's PRICE program would provide a vital lifeline to preserve or revitalize as many of the priority, unfunded mobilehome parks as possible.

Projected Qualitative Impacts

The projected qualitative impacts of HCD's PRICE program include the following:

1. Prevents conversion of mobilehome parks to other uses and stabilize unsustainable rent increases in high cost of living areas with the acquisition activities.
2. Prevents closure of suspended mobilehome parks by addressing health, safety, and substandard conditions and insufficient infrastructure.
3. Increases housing stability through the preservation and revitalization of manufactured housing, while reducing housing cost burden and assuring long term affordability.
4. Improves equity outcomes and conditions for disadvantaged communities and those that are disproportionately impacted by substandard housing conditions, lack of investment, and high cost of living.
5. Provides an opportunity for families to build wealth through housing equity that could be used for things like higher education, creating generational change.
6. Leverages additional state resources and highlights the support and need for preserving manufactured housing.
7. Helps meet state housing, fair housing, and equity goals by increasing affordable housing supply and easing the housing crunch.
8. Provides a cost-effective housing option, thus reducing taxpayer costs.

Projected Quantitative Impacts

There are 60 high priority projects and 2,500 disaster-impacted units identified in this application, estimated to cost in the range of \$112 to \$765 million alone. According to the MHC Risk

Assessment tool, there are another 266 mobilehome parks at a high risk of closure or conversion to other uses. Although HCD will be unable to fund every one of these high priority projects, HCD expects to be able to achieve the following quantitative impacts if fully funded:

1. Support the equivalent of approximately 14 mobilehome parks; and
2. Provide long-term affordable housing for approximately 677 households, including 570 LMI households, and 1,977 individuals.

These projections are based on the average of funded and unfunded MORE projects, which estimates a modest investment cost of approximately \$5 million per mobilehome park project or program; \$107,000 per unit repaired, rehabilitated, or preserved; and \$36,000 per individual served. However, the replacement of units could cost as much as \$323,000 according to CDBG-Disaster Recovery data, which could impact final beneficiaries depending on the number of replacements²³.

AFFORDABILITY AND EQUITY

How will you ensure the availability of affordable manufactured housing options to LMI households?

Consistent with other HCD programs and to ensure the long-term affordability of units, HCD is proposing that every unit assisted with PRICE funding be subject to a 30-year affordability period. The affordability requirements will apply without regard to the term of any loan and/or change in renter or owner household occupancy. HCD will enter into standard agreements that lay out an awardee's requirements for maintaining compliance with affordability restrictions of assisted units, secured by recorded Use Restrictions, Regulatory Agreements, Covenants, Deeds of Trust, Promissory Notes, or other mechanisms, depending on the activity, the applicant, and type of award structure.

Subject to annual monitoring fees (per unit flat fee) during the period of affordability, HCD will conduct physical inspections and monitor grantees for compliance with affordability restrictions. Monitoring fees will be based on actual average costs for monitoring. Consistent with HCD policy and subject to funding availability, HCD may waive monitoring fees for Tribal or Colonia Projects that are selected for award.

The proposed activities will provide a balance of affordability with the opportunity to build financial security and wealth for manufactured homeowners in the following ways:

- Acquisition activities can prevent loss or conversion of units which can:
 - Help stabilize lot rents – Increased rent often results in home value loss and forces residents to pay more of their income to rent instead of basic necessities⁴¹.
 - Prevent or reduce resident displacement, meaning residents can avoid having to pay additional moving, rental, or homebuying costs.
- The proposed activities will improve the sustainability and quality of life for residents, improve resiliency and efficiencies of mobilehome park infrastructure and units, ensure housing units are not lost, and reduce housing cost burden on residents.

- Technical assistance will increase the capacity of lower capacity communities and entities to both improve housing affordability in the short-term and to equip them with the tools to continue their efforts to preserve affordable housing into the future.

What protections will be in place for residents?

The State of California provides a range of protections and resources for mobilehome residents and parks that complement and reinforce federal protections. For example, California’s Mobilehome Residency Law (MRL) ensures multiple protections for residents including rent control and eviction protection, as well as clear lease agreements and maintenance requirements. MRL is reinforced by the MRL Protection Program, which organizes education and outreach about residents’ rights and assists with complaint resolution and legal aid. Additionally, beginning in 2025, all mobilehome park managers will be required to take training that is focused on the MRL and the rights and responsibilities of homeowners and management.

California also requires certain provisions in rental lease agreements for residents of MHCs including:

1. Provisions related to management responsibilities, utilities and services included, and information about fees and charges.
2. Prohibition of a provision that waives a MHC resident’s rights.
3. A one-year minimum lease term is required but can be flexible at the request of the homeowner.
4. A grace period for rental payments and community owners are required to provide residents a 90-day notice of rent increase³.

The Enhanced Park Inspection program grants HCD the authority to inspect mobilehome parks and enforce standards to ensure compliance with health and safety regulations. The program is supported by Title 25 of California Code of Regulations, which sets standards for the construction, use, maintenance, and occupancy of mobile home parks. HCD’s Mobilehome Assistance Center receives and processes complaints related to mobilehomes and protects consumers by enforcing regulations for those who build and sell manufactured homes.

HCD program staff have the support of its Tribal Affairs team, which assists in meaningful partnerships with California Tribes to improve access to state housing and infrastructure funding programs. This is part of the state's ongoing effort to rebuild its relationship with Tribes, and to be considerate and inclusive of the needs and input of tribal communities throughout California. This is in support of California Assembly Bill (AB) 1010, which requires HCD to meaningfully address Tribal access and participation in HCD funding programs.

AB 686 requires all state and local public agencies to facilitate deliberate action to explicitly address, combat, and relieve disparities resulting from past patterns of segregation to foster more inclusive communities. Public agencies must examine existing and future policies, plans, programs, rules, practices, and related activities and make proactive changes to promote more inclusive communities. Oversight is led by HCD’s Fair Housing unit.

Finally, all funded projects will be subject to and monitored for compliance with applicable state and federal laws, including the federal Fair Housing Act and California’s Fair Employment and

Housing and Unruh Civil Rights Acts, which prohibit housing discrimination based on protected categories.

How does your proposal encourage access to resources and financing, especially for underserved communities and persons?

Every \$107,000 invested of PRICE funding is expected to benefit one household, as many as three individuals, and preserves an affordable housing unit for 30 years. Every \$1 of CDBG funding that HCD invests in a community leverages another \$3.64 dollars, meaning this program, guided by the CDBG framework, could leverage an additional \$200 million in investments for California's in support of PRICE projects⁴².

Disadvantaged and Underserved Communities

PRICE grant funding provides the opportunity to continue to invest in California's underserved and disadvantaged communities, boosting local economies and improving the health and safety of residents. Accordingly, HCD will make PRICE program resources available to priority projects in underserved and disadvantaged communities, including Colonias, Tribal, and rural; and high cost-burden and poverty areas. HCD is committing to PRICE program funding targets and extended application windows for rural and Tribal communities, as well as Colonias to ensure that projects in these communities are prioritized.

The concentration of mobilehome residents in mobilehome parks exposes residents to the risk of housing instability, particularly when landowners opt to raise rents. Such increases can significantly burden homeowners, especially those with limited financial resources, who may struggle to relocate their mobilehomes. This risk is particularly acute for vulnerable populations such as seniors, persons with disabilities, and farmworkers, who often rely on mobilehomes as a crucial and affordable housing option, especially in rural counties.

PRICE funding will be available to acquire mobilehome parks at risk of closure due to health and safety conditions or conversion due to investor buyout. This can prevent displacement of residents and stabilize rents in high-cost areas. Through the PRICE program, HCD will also provide technical assistance, capacity building, and extended application windows to underserved and lower capacity communities and entities.

Household and Community Benefits

Through PRICE funded activities, affordable manufactured housing can serve to stabilize lower-income households, reduce housing cost burden, and allow them to build wealth and undertake activities such as education, job training and savings that will eventually lead to economic improvement and eventual ownership. HCD's efforts will directly and positively impact LMI households by improving economic security and reducing housing cost burdens as a result of affordability restrictions, rent restrictions, and the repair, rehabilitation, or replacement of substandard infrastructure or units.

Disasters

With high housing costs across the state and limited options available, disasters further tighten already stressed housing markets. Due to lack of available housing, many disaster survivors, if

financially able, move out of the area or state, while others are forced to live in temporary housing and could lose their homes²³. These populations or communities often have few resources to recover from disaster and may lack the resources to relocate or may have to relocate far from their place of work. Mobilehome parks can also take longer to recover due to lack of funding options and the difficulty in getting insurance in disaster prone areas.

Eligible acquisition, repair, and rehabilitation activities can support efforts to mitigate future disaster losses and increase climate resiliency. Accordingly, HCD will make PRICE program resources available to vulnerable populations in disaster-impacted and disaster-prone communities and other areas to support resiliency and mitigation efforts.

Section 3

Section 3 of the Housing and Urban Development Act of 1968 and implementing regulations at 24 CFR Part 75 require recipients of certain HUD financial assistance to the greatest extent possible, provide training, employment, contracting, and other economic opportunities to low- and very low-income persons. HCD and any of its subrecipients and/or contractors are required to comply with Section 3. HCD incorporates Section 3 requirements into all federally assisted Standard Agreements, which state that noncompliance can result in sanctions, termination of the agreement for default, and debarment or suspension from future HUD assisted contracts.

HCD has developed Section 3 plan templates for use by subrecipients, contractors, and grantees. HCD monitors subrecipients, contractors, and grantees for compliance with Section 3 requirements and reports data to HUD, as applicable. Through these efforts, HCD provides opportunities for low-income individuals to benefit from HCD's investment of HUD funds in facilities, infrastructure, and housing.

ENVIRONMENT AND RESILIENCE

What significant hazards could impact your project site?

The state is vulnerable to a wide range of natural and non-natural hazards that have impacted and will continue to impact its people, property, environment, infrastructure, and economy. Half of California's counties are considered at very high risk or relatively high risk of natural hazards according to FEMA's NRI, which accounts for expected annual loss, social vulnerability, and community resilience³⁷. The primary disaster impacts and vulnerabilities are from flooding, storms, and wildfires.

Wildfire Risk and Vulnerability

Wildfires are the most frequent source of declared disasters and account for the third highest combined losses in California. Wildfire vulnerability in California is found chiefly in Wildland-Urban Interface (WUI) communities. Densely populated urban areas will appear at higher relative vulnerability due to the larger concentrations of socially vulnerable communities in these areas. However, rural areas have socially vulnerable populations that are at high risk of wildfire hazard^{22,23}. California wildfire facts are:

- Nine of the top 20 largest wildfires by acres burned have happened since 2020²². The 2018 Camp Fire, the most destructive in history, destroyed or damaged an estimated 34 mobilehome parks and an estimated 1,600 mobilehome units in the town of Paradise¹⁸.
- Mobilehomes account for ten percent or more of the total housing stock in Butte, Lake, Lassen, Trinity, Shasta, and Siskiyou counties, and likely reflect a substantial portion of homes damaged by the 2020 wildfires⁴³.

Flooding and Storm Risk and Vulnerability

The 2023 Storms that hit five counties along the coast of California impacted over two million LMI households, damaging 900 manufactured home units at a cost of \$300 million dollars. However, the CDBG-DR program only received enough funds to be able to allocate \$31 million to the Manufactured Home Replacement and Elevation program. It has been reported that seniors are even living in units damaged by the storms because there are no alternative housing options²³.

Since 1950, floods have accounted for the second highest combined losses and the largest number of deaths. The California State Hazard Mitigation Plan (SHMP) shows high flooding vulnerability for housing occupied by low and moderate-income households in the Central Valley region. This reflects a greater frequency of flooding, combined with greater social vulnerability, in portions of the Central Valley⁴⁴.

Mobilehomes are more vulnerable to disasters than permanent residential structures due to structural deficiencies and an increased likelihood of being in exposed, higher-risk areas. A 2020 case study of mobilehome parks in flood-affected communities found that mobilehome parks faced unique disaster vulnerabilities due to a high concentration of socioeconomic instability, stigmatization by local government and community, and exclusion or disenfranchisement during post disaster recovery due to that stigmatization²³.

How will your activities address the current and future threat of natural hazards, extreme weather, and disaster events?

The State of California is committed to building resiliency for future hazard events through ongoing risk reduction efforts. Working independently, and in conjunction with the federal government, the state manages a series of programs that help communities respond and adapt to natural disasters. This includes CDBG disaster mitigation, resiliency, and recovery funding to help communities address the impacts of disaster and adapt to climate change. These programs are managed by HCD's Division of Federal Financial Assistance (DFFA), and the PRICE program team will work closely with the CDBG-DR team to incorporate their disaster-specific requirements and standards and resiliency and equity framework, as applicable.

The following proposed activities will support efforts to address the current and future threat of natural hazards, extreme weather, and disaster events:

- Applicants will be able to apply to HCD for acquisition and site improvements of land suitable for relocation or development of new parks near hazard prone areas.
- Parks in certain high hazard areas will need to meet certain requirements to make them more resilient. For example, manufactured homes rebuilt in certain wildfire hazard areas must meet certain WUI and ignition-resistant construction standards or requirements.

- Applicants will be eligible to make disaster resilient site improvements, such as power and water system improvements, and elevation and anchoring activities in certain flood prone areas.
- Voluntary buyout and relocation planning for communities with mobilehome parks in designated disaster areas or hazard-prone areas.

How does your proposal help advance Environmental Justice?

In accordance with NOFO requirements, applicants must describe how proposed activities will advance environmental justice. Applicants are also encouraged to consult the federal Climate and Economic Resilience Screening Tool (CERST), which identifies disadvantaged communities that are considered overburdened and underserved based on indicators of burden including climate change, energy, health, housing, pollution, transportation, water and wastewater, and workforce development.

According to CERST, there are over 8,000 CERST census tracts in California, accounting for nearly 11 percent of such census tracts nationwide. Twelve of the eighteen unfunded mobilehome park funding requests to the MORE program (due to exhaustion of funding) were either located in a CERST census tract, applied under the disaster response criteria, or both. The total unfunded amount for these projects was approximately \$92 million. This is an additional example of unmet need for funding to support mobilehome parks located in disadvantaged communities within California.

HCD's mission is to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians. HCD actively works to support disadvantaged and underserved communities, including tribes, rural, and Colonias, as well as high opportunity and disaster-impacted areas. If awarded funds, HCD will continue to prioritize these communities and work to improve health and safety conditions for LMI households living in manufactured housing.

Colonias and Rural Communities

These communities tend to have a higher-than-average rate of manufactured housing in their communities. Many of HCD's programs currently have funding targets for rural projects and the CDBG program has a funding set-aside for Colonias used primarily for water, sewer, public facilities, and housing rehabilitation activities. Addressing these issues improves sustainability and quality of life for the residents, allowing them to focus on other areas such as education, increasing the potential to improve their incomes and reduce poverty⁴⁵. If awarded funding, HCD is committing to setting a Colonia target with its PRICE grant funding, along with an extended application window for them to access technical assistance, if needed.

Rural counties can come with their own unique challenges including proneness to disasters, property loss, lack of resources and investment, high rates of unemployment, and low capacity. If awarded funding, HCD is committing to setting a rural target with its PRICE grant funding, along with an extended application window for them to access technical assistance, if needed.

Tribal

Federally Recognized Tribes are automatically considered disadvantaged communities, according to the CERST. One hundred and eighty-six of CERST census tracts have Tribal areas, accounting for approximately ten percent of the area of those census tracts. Manufactured housing represents an estimated 12 percent of the housing units, on average, on Tribal land³.

The state and HCD have made a concerted effort to support Tribes across California and will continue to do so with the PRICE program. Many of our programs include funding targets for Tribal projects. For example, the MORE program recently funded five Tribal projects totaling \$16 million. If fully funded, HCD is committing to setting a Tribal target with PRICE grant funding, along with an extended application window for them to access technical assistance. Additionally, many Tribal lands do not have a typical mobilehome park structure under unified ownership. Therefore, we are specifically calling out that activities addressing individual mobilehome or manufactured housing units is an eligible activity under our PRICE program. This will create more flexibility with the goal of ensuring that our program will not serve as a barrier to Tribes.

Areas of Opportunity and High Risk of Conversion

Stakeholders engaged during the development of this application, including ROC USA and HPD, have stated concerns about the displacement of residents due to park closures in high cost of living areas with few affordable housing options. These communities are being marked by owners and investors for acquisition and conversion to other uses, leading to the displacement of many low-income residents and putting thousands of others at risk²¹. Even if a community is not closed, they are often faced with other issues including unstable rent increases.

HCD has designed the program in a way to make funding and activities available that support mobilehome and manufactured housing parks in areas of high opportunity, that are strained by high-cost burden and unstable rents, and are at risk of conversion due to high land value and commercial activity. These efforts can help maintain or create affordable units and stabilize rents in the housing stock in areas with the greatest risk of displacement.

Disaster Areas

Many mobilehome parks within the state are in high fire risk zones or floodplains that are exacerbated by climate change, creating greater vulnerability and potentially leading to displacements of residents. Many of these communities include low-income communities, migrant populations, populations whose primary language is not English, Black and Latina/e/o populations, older adults, and those with access or functional needs²². The SHMP states that seven percent of those living in fire hazard severity zones are in equity priority communities. According to the SHMP, fires increase housing prices, displacing people and increasing the number of individuals experiencing homelessness. Populations pushed into peripheral regions are also the ones who can least afford the cost of wildfire damage and relocation²².

DFFA already works in these communities, delivering on recovery needs through CDBG disaster mitigation, resiliency, and recovery funding. If awarded funds, HCD will continue to prioritize projects that benefit LMI households living in manufactured housing in disaster areas. By focusing on mobilehome parks and units with large LMI populations, HCD can ensure that adaptation

measures more equitably prioritize marginalized groups. Eligible activities that can improve protection from hazards include elevation and anchoring in flood prone areas, as well as the requirement to meet certain WUI and ignition-resistant construction standards or requirements in high-risk fire areas. Through activities such as replacement, repair, or site improvements of mobilehome units, HCD can also improve the resilience of vulnerable communities, promote equitable adaptation strategies, and reduce risk of impacts caused by future disasters.

Environmental Review

Environmental justice is a component within the HUD 24 CFR part 58 process that aims to ensure all people, regardless of race, color, national origin, or income have the same degree of consideration in the decision-making process that affects their health and their environment. HCD will assess the potential environmental and social impacts of proposed projects within disadvantaged communities to ensure they will benefit from the proposed actions and are not disproportionately burdened. For projects that are subject to Part 58 of HUD's environmental review process, HCD will review the compliance of subgrantees and verify all applicable considerations for environmental justice have been met.

COMMUNITY ENGAGEMENT

How will you seek and encourage diverse stakeholder participation?

During development of this application, DFFA staff consulted with internal stakeholders with first-hand experience with the outreach and engagement of mobilehome park residents, including staff from CDBG-DR, the MORE program, Codes and Standards, and Housing Policy Development. DFFA also consulted with external stakeholders, including the California Coalition of Rural Housing, one of the oldest state low-income housing coalitions in the country and a current technical assistance provider for the MORE program. If awarded funds, DFFA staff will continue to work closely with these stakeholders during development and implementation of the program.

If awarded funds, HCD will post the PRICE program Action Plan on a new stand-alone PRICE program webpage on HCD's website. HCD will also amend its Citizen Participation Plan, which describes HCD's process for encouraging citizens, including minorities and non-English speaking persons, as well as persons with disabilities, to participate in the development of any future amendments to the Action Plan. Through DRGR, HCD will track and report activities and their progress, expenditures, compliance with national objectives, and outcomes, including units and beneficiaries, as applicable. DRGR annual reports will also be posted on HCD's website.

During the term of the grant, HCD will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the application and to the grantee's use of grant funds. HCD will also provide a timely written response to any citizen complaints. As required by law, HCD will provide a response within 15 working days of the receipt of the complaint, where practicable.

Using its public engagement tools and partners, HCD will also make every effort to engage priority communities and residents and those impacted by barriers listed in *Factor (a): Need (Exhibit C)*.

As detailed above, HCD is proposing to use some of its funding for technical assistance to potential applicants including, but not limited to, low-capacity rural communities, resident cooperatives, Tribes, and Colonias, should they be interested in the program. This technical assistance will be in the form of one on ones and online webinars to a broader audience. HCD's goal is to also provide adequate technical assistance during development and implementation of the program to ensure the timely, compliant, and effective use of funds.

For work with Tribal applicants, staff work through HCD's Tribal Affairs team and the California Indian Assistance Program (CIAP). CIAP supports staff with communications and technical assistance to Tribes. Through recent state legislation, AB 1010, Tribes can even request a modification or waiver of certain requirements if it is considered a barrier.

How does your proposal align with existing community plans and policies?

Statewide Housing Plan

California's Statewide Housing Plan (SHP) provides a comprehensive look at the state's housing needs, actions, and vision to address the affordable housing crisis in California. This proposal aligns with the SHP's goals to preserve existing affordable housing units, encourage a greater diversity of housing types in all neighborhoods, implement climate resiliency and sustainable building strategies, and continue to act with urgency to address homelessness and housing need.

Consolidated Plan

The State of California's Consolidated Plan (Con Plan) is designed to help states and local jurisdictions assess their affordable housing needs and market conditions to determine and prioritize goals for funding provided by HUD. Development of the Con Plan involves substantial public outreach and extensive data gathering and analysis to recommend funding priorities. Participants in our housing needs focus groups have reported a need for a wider range of housing, as well as concerns about the challenges with complex and expensive processes for funding housing projects. Consistent with the goals and needs identified in the Con Plan, the PRICE program addresses many of these issues by offering alternative, affordable, and less complicated housing options.

The State of California's Analysis of Impediments to Fair Housing Choice (AI)

The AI serves as the basis for HCD's fair housing planning work to expand housing choice and access to opportunity for all Californians. The AI informs HCD's efforts to affirmatively further fair housing, promote inclusive communities, further housing choice, and address community disparities through HCD's programs, policies, and operations. Through the PRICE program, HCD would be taking meaningful action to affirmatively furthering fair housing.

Tribal Legislation

This proposal aligns with California Executive Orders (EO) B-10-11 and EO N-15-19 and Assembly Bill (AB) 1010 by taking meaningful efforts to provide tribal access and participation in HCD programs.

Note: Citations and notes are available in Attachment I.

Exhibit E - Factor (c): Capacity

PRICE Main Application

Applicant: State of California

What experience do you have managing projects?

The California Department of Housing and Community Development (HCD) is the lead state department for administering the U.S. Department of Housing and Urban Development (HUD) Community Planning and Development (CPD) non-entitlement programs (those that do not receive direct allocations from HUD), large one-time disaster allocations, and other programs including Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), CDBG Disaster Recovery (CDBG-DR), HOME-American Rescue Plan (HOME-ARP), CDBG CARES Act (CDBG-CV), and ESG CARES Act (ESG-CV), among others.

The above programs are administered by HCD's Division of Federal Financial Assistance (DFFA), which has administered over \$5 billion in funding alone over the last five years. DFFA is supported in its efforts by technical assistance and capacity building contractors and HCD's key support teams and divisions, including the Federal Reporting Unit, Asset Management and Compliance, Codes and Standards (CSD), Legal Affairs, Business and Contracts Services, Internal Audits, Accounting and Financial Management, and Housing Policy Development. The PRICE program will also be supported through DFFA's Environmental Services Team (EST) and the Labor Compliance Specialist and associated contractors. More details on the EST and Labor Compliance Specialist are provided below. Through HCD's key support teams and divisions, HCD has in place the necessary support, framework, policies, and procedures to make PRICE a success.

With its hands-on experience managing programs such as CDBG, HOME, and the Manufactured Housing Opportunity & Revitalization Program (described below) and implementing large one-time HUD programs, HCD has the demonstrated ability, capacity, and experience to successfully manage the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program.

Provided below are just a few examples of HCD's experience managing projects that are similar in nature and scope to that of the PRICE Main program.

National Disaster Resilience (NDR) Competition

In 2017, California successfully applied for \$70 million in funding through HUD's NDR Competition for the Community and Watershed Resilience Program (CWRP). The CWRP provides an innovative, revenue-generating, scalable, and replicable model for similar regions throughout California and the western United States. The CWRP is built around partnerships and practices designed to overcome the financial and institutional barriers to sustainable, healthy forests and watersheds. The CWRP will facilitate the transition to a sustainable forest economy in our rural communities. HCD is responsible for all administration and implementation of the NDR award from HUD in partnership with the U.S. Forest Service, Stanislaus National Forest, the Sierra Nevada Conservancy, Rural Communities Assistance Corporation, and Tuolumne County. The program also receives support from a procured technical assistance provider.

The CWRP is composed of three complementary pillars: Forest and Watershed Health Project, The Biomass Utilization Fund, and two Community Resilience Centers, designed to increase community resilience by providing year-round services, including education and job training to support forest and watershed work and the biomass facility. To date, NDR funding has resulted in the construction of two resilience centers, over 4,500 acres being prepared for planting new conifer trees, over 1.5 million new trees being planted, restoration and construction of seven shaded fuel breaks, and the award of two new biomass utilization businesses that will be built and operational by spring 2025. The full grant is on track to closeout at least three years before HUD's final administrative deadline in 2029.

References:

- Partner – Michael Jow, Resource Management Staff Officer for USDA Forest Services, Pacific Southwest Region, (209) 283-4547, michael.jow@usda.gov.
- Beneficiary/Partner - Maureen Frank, Capital Project Director for Tuolumne County, (209) 533-5515, mfrank@co.tuolumne.ca.us.

ReCoverCA

With CDBG-DR funding for the 2017, 2018, 2020 and 2021 disasters, HCD established the owner-occupied reconstruction/rehabilitation and mitigation retrofit programs, which collectively, are branded as the ReCoverCA Housing Programs. The ReCoverCA Housing programs allow low and median income (LMI) homeowners and landlords who rent their single-family rental properties to LMI tenants to apply directly through HCD to rebuild their disaster damaged homes or apply for mitigation retrofits to prevent future damage.

The ReCoverCA Housing Programs are full-service programs, meaning HCD takes care of permitting, procurement, and the disbursement of funds. The Programs are supported by a Case Management Vendor and Construction Management Vendor who work together with HCD to implement the programs. Implementation includes outreach and marketing, application intake and review, eligibility review, duplication of benefits review, initial site inspections, environmental reviews, applicant home selection using the program-developed floorplans, scope of work development, quality assurance and quality control checks, escrow management and disbursement, permitting, construction and grant disbursement, and compliance monitoring.

HCD has developed and made available on its website pertinent program resources and policies in English and Spanish, as well as access to an online application portal. HCD also prepares and posts ReCoverCA monthly newsletters in English and Spanish on their website and social media accounts to keep the public up to date. Through 2023, ReCoverCA has issued 101 awards, completed 38 key turnovers, and 33 homes are under construction.

HOME-ARP

To address the need for homelessness assistance and supportive services, the U.S. Congress appropriated \$5 billion in funding from the American Rescue Plan Act of 2021 to be administered through HOME. In 2022, HCD received \$155 million to implement the HOME-ARP program. HCD conducted an extensive consultation process between October 2021 and September 2022 and

the HOME-ARP Allocation Plan was approved in April 2023. To date, HCD has launched two HOME-ARP programs and received approval to implement a pilot:

- Rental Housing Program – In October 2023, an \$89 million Notice of Funding Availability (NOFA) was released with funding targets for Tribes. The NOFA incorporates several key innovations to reduce delays to the production of affordable housing and effectively administer the program. Awards are expected in July 2024.
- Housing Plus Support Program – The program is designed to connect individuals and families who are experiencing homelessness, or are at risk of homelessness, with permanent housing and supportive services needed for them to increase self-reliance and stay stably housed. Awards are expected in July 2024.
- Reentry Pilot Project – In collaboration with the California Department of Corrections and Rehabilitation, the HOME-ARP team will implement the first of its kind state level investment in permanent housing for individuals exiting correctional institutions. HOME-ARP's \$16 million capital investment will be complemented with supportive services to ensure housing stability long term.

Reference: Partner - Brenda Grealish, Executive Officer for the California Department of Corrections and Rehabilitation, Council on Criminal Justice and Behavioral Health, (916) 479-1456, Brenda.Grealish@cdcr.ca.gov.

Manufactured Housing Opportunity and Revitalization (MORE)

MORE was a one-time allocation of state resources that was administered by DFFA's sister division – The Division of State Financial Assistance (DSFA). The program was not only a first-in-the-state program, but first in the nation. MORE funding is made available to finance the acquisition, conversion, rehabilitation, and replacement of Mobilehome parks and individual Mobilehomes to preserve a source of affordable homeownership.

After a robust consultation process, HCD released guidelines and a NOFA for the new program in May 2023. The NOFA made \$136,250,000 available in funding on a first come first reviewed basis for a variety of activities. HCD received an unprecedented response and was only able to fund 28 projects from the 53 requests received, exhausting all available funding for this program. The MORE team is currently in the phase of executing standard agreement contracts and disbursing funds to the 28 projects, which includes five tribal projects and two resident-ownership opportunities.

The program is expected to assist nearly 4,000 individuals and approximately 1,350 units, including 906 units restricted at 80 percent Area Median Income (AMI) for 30 years or more. This amounts to a modest investment of \$100,000 per unit. The MORE team has already laid a framework for the PRICE program and will serve as a valuable partner if HCD is awarded the PRICE grant¹⁸.

References:

- Partner - Eileen Piekarz, Development and Technical Assistance Specialist for the Rural Community Assistance Corporation (RCAC), (775) 741-7861, EPiekarz@rcac.org.

- Partner - Kate Rose, Director of Technical Assistance Programs for the California Coalition of Rural Housing (CCRH), (916) 426-2284 x 104, Kate@calruralhousing.org.

What is your experience using grant funds?

Over the past five years, DFFA has administered over \$5 billion in federal annual and one-time funding. As the primary state department for administering HUD CPD programs, HCD is responsible for ensuring timely and efficient expenditure of funds, financial oversight, and internal and external compliance with financial requirements including 2 Code of Federal Regulations (CFR) Part 200 (e.g., financial management, cost principles, internal controls).

HCD is committed to combatting fraud and recognizes that combatting fraud is just one aspect of responsible oversight to ensure that federal funds are spent appropriately. HCD has put in place the necessary systems, tools, and procedures to ensure timely and compliant management and expenditure of federal grant funds. HCD also has a robust fraud risk and internal control framework in place with oversight by HCD's Audit and Evaluation and Enterprise Risk Management Sections.

HCD expects grantees and subrecipients to maintain compliance with use of grant funds. HCD manages this aspect through the provisions in standard agreements with grantees or subrecipients, which all subrecipients must sign to receive funding from HCD. HCD also provides training and technical assistance to grantees and subrecipients and monitors them to ensure successful administration of funds and reduce risk of compliance issues.

Accounting and Financial Management Branches

Program staff are supported by the Accounting and Financial Management Branches. Their role is to ensure timely payment of obligations owed, prompt collection of accounts due, and providing timely and accurate financial information to HCD's managers and staff, the federal government, the state finance agencies.

The Accounting Branch tracks the federal trust fund which is an accounting mechanism used by the state government to track earmarked receipts (money designated for a specific purpose or program) and corresponding expenditures. The Branch receives and processes invoices for goods and services provided to HCD and ensures payments are made in compliance with all applicable rules and regulations, including the State Administrative Manual, and assures safe and secure disbursement of both state and federal funds, creating an accurate audit trail.

The Financial Management Branch provides support and consultation in all aspects of financial analysis and planning to effectively manage state housing resources with fiscal integrity, ensure there is sufficient budget authority to use state and federal resources, and perform analyses of budgetary and legislative issues to support the state budget process and departmental operations.

Provided below is a current and relevant example of HCD's experience using grant funds:

CDBG and CDBG-CV

Since 1982, HCD has administered the State of California’s annual federal CDBG funds. HCD, through DFFA, manages approximately \$31 million in CDBG funds annually. The state’s CDBG program awards funds to small, mostly rural local governments for critical housing, economic development and community projects and programs that serve low- and moderate- income households. The CDBG Program also supports Tribes and Colonias. Some recently completed projects include five water and wastewater improvement projects, an interim housing center for people experiencing homelessness, and a community recreation center.

The state’s CDBG program has become one of the top spenders in the country for the past two years, earning HCD recognition in December 2023 from HUD field office staff who stated in an email, “California is a great example of how a state can expend funds.” HCD has worked hard to improve its administration of CDBG funds. Six years ago, HCD began efforts to redesign the CDBG program to address the program’s low expenditure rate, reduce excessively high unspent program income balances, and streamline program processes to reduce the administrative burden for grantees and HCD staff to account for budgetary constraints. The CDBG team has issued two NOFAs in the past six months and will issue another one in July.

In June 2020, HCD was awarded \$150 million in CARES Act funding through CDBG-CV. The CDBG team manages this one-time allocation of funding with the support from ICF, a nationally recognized consultant that provides capacity building and technical assistance to HCD staff and grantees.

HCD has put in place policies and procedures to ensure that all CDBG activities are carried out in compliance with Title I of the Housing and Community Development Act of 1974, as amended, and implementing regulations at 24 CFR Part 570, as well as all other applicable state and federal requirements. HCD has developed resources including CDBG Guidelines, CDBG Program Representatives Handbook, and a Grants Management Manual (GMM). These resources support the staff in the day-to-day administration of CDBG projects and provide step-by-step approaches for the implementation of projects including, but not limited to, grant approval, project setup, compliance, audits, monitoring, reporting, requesting reimbursements, and closeout. Templates, forms, tools, trainings, and checklists are also provided as a resource and help ensure a system of checks and balances. The Guidelines and GMM were adopted and adapted for CDBG-CV and can be adopted or adapted to the PRICE program, as applicable.

HOME Investment Partnerships Program (HOME)

HCD has the capacity, experience, and tools to ensure that the PRICE program meets the HOME affordability requirements described within the NOFO.

HCD has administered the State of California’s annual federal HOME funds since the program’s inception in 1992. HCD, through DFFA, manages approximately \$45 million in HOME funds annually. The HOME program assists cities, counties, developers, including Native American Entities, and nonprofit Community Housing Development Organizations to create and retain affordable housing. The range of activities that the HOME program administers directly and through State Recipients includes multi-family rental and first-time homebuyer projects, as well

as first-time homebuyer, owner-occupied rehabilitation, and tenant-based rental assistance programs.

HCD has put in place policies and procedures to ensure that all HOME activities are carried out in compliance with 24 CFR Part 92, as well as all other applicable state and federal requirements. HCD has developed resources including a Contract Management Manual (CMM), multifamily rehabilitation standards, tribal and recipient training and technical assistance, fair housing training and other resources including templates, checklists, and forms. These resources support HCD staff and State Recipients in the day-to-day administration of HOME and provide step-by-step approaches for the implementation of projects including, but not limited to, cross-cutting requirements, occupancy and rental standards, monitoring, fair housing, match requirements, and relocation requirements. HCD is also in the process of developing new program guidelines and has tentatively awarded a contract to a consultant to provide additional technical assistance and training to HOME staff and assist HCD with updating its HOME programmatic, financial, and monitoring policies and procedures.

Who are your key staff?

Proposed PRICE Program Section

To ensure effective and efficient implementation of the PRICE Program, HCD proposes that the program be its own standalone section within DFFA, staffed with a Section Chief, Manager, two Specialists, and two Program staff (Representatives). The Manager would report to the Section Chief, who in turn reports to the Branch Chief as described below.

The Section Chief and Manager will oversee staff through all phases of program design and implementation, including development of Notices of Funding Availability (NOFA's), applications, and trainings; oversight of policy and procedure development and award and standard agreement processes; ensuring compliance with state and federal requirements; and monitoring and reporting.

The Specialists will perform high-level complex research and data collection, provide expertise in the process of analyzing and drafting policies, provide technical and administrative assistance, collaborate across divisions, and track and analyze legislation.

Program Staff (Representatives) will work on program design and implementation of funding programs, assist in development of NOFA and application materials, research program requirements and consult with staff and stakeholders, evaluate threshold requirements, rate and rank applications, analyze financial information, maintain active communication with grantees, approve reimbursement requests, prepare and track agreements with grantees, monitor project performance and reporting, and document compliance with federal and state requirements.

Contingency Plans

Currently, there is no future funding projected for the state funded MORE Program. If no new funding is allocated to the MORE program, then some or all of the program's staff could be redirected to the PRICE Program, with support from key DFFA staff listed below.

In the event the MORE Program is allocated new funds then HCD will implement the staffing plan as described in this exhibit. The MORE team would still be available to advise and support the new PRICE Program. The MORE program's existing framework combined with the federal grant management expertise of DFFA would create a strong team and reduce lead time for the new program. Both programs would be able to collaborate and leverage each other's resources and expertise, leading to more impactful investments across the state.

In the event that HCD is awarded less funds than requested then the proposed staffing plans above will be adjusted and absorbed into the existing operations accordingly. Key staff listed below will take on the primary functions of the PRICE program as required.

Existing Key Staff

To ensure a smooth transition after grant award, the key staff listed below will lead build out of the new PRICE section until new staff come on board, pull in any necessary resources from across HCD, and oversee and support the new PRICE team after it is established.

Janice Waddell, Assistant Deputy Director

All annually funded programs within DFFA are led by recently promoted Assistant Deputy Director – Janice Waddell. These programs include HOME, HOME-ARP, CDBG, ESG, CARES Act programs, as well as the Federal Reporting Unit and the National Housing Trust Fund (NHTF) program.

Ms. Waddell will support the PRICE Section with hiring; establishing program budget, policies, and structure; and supporting coordination across the branch and with other divisions.

Prior to serving in this role, Ms. Waddell had been serving as DFFA's Community Development Branch Chief responsible for all aspects of administration of CARES Act funding and annual funding for the CDBG and ESG programs and has over 40 years' experience delivering federal financial assistance for community development projects in low-income communities.

Felicity Gasser, Community Development Branch Chief

Under general direction of the Assistant Deputy Director of Housing and Community Development, the Community Development Branch Chief oversees and directs a branch of professional staff responsible for design, implementation and administration of federally funded Housing and Community Development programs, including CDBG and ESG.

Ms. Gasser will support the Section Chief and Program Manager and their teams in standing up the PRICE program, facilitate coordination with other divisions within HCD, and bring expertise on integrating new federal funded programs into the branch. The Section Chief will report to Ms. Gasser.

Prior to serving in this role, Ms. Gasser was a Senior Specialist within the branch who led the standing up of ESG-CV and CDBG-CV which included onboarding staff members, preparing requests for proposals to hire consultants to provide staff augmentation, and adopting and adapting policies and procedures to meet those program requirements.

Deborah Lindfeldt, Section Chief

Ms. Lindfeldt is the Section Chief over the state's highly successful MORE Program. MORE, like PRICE, can fund the acquisition, rehabilitation, reconstruction and replacement of Mobilehome parks, as well as the remediation of health and safety items of both parks and individual manufactured homes. Ms. Lindfeldt will serve as an advisor to DFFA and interface with the new program and assist with adopting or adapting existing policies and procedures, support development of NOFAs, and facilitate and coordinate stakeholder engagement, training, and technical assistance.

Maziar Movassaghi, Branch Chief

Mr. Movassaghi is the Branch Chief over DFFA's Disaster Response and Operations. Maziar oversees a staff of over 20 across three sections – Federal Recovery Data and Reporting, Federal Recovery Fiscal, and Monitoring and Compliance. Mr. Movassaghi will serve as an advisor, interfacing with the new program and assisting with adopting or adapting existing policies and procedures, support development of guidelines and NOFAs, and facilitate and coordinate stakeholder engagement, training, and technical assistance.

As noted above, HCD also has key teams and divisions in place that will provide support to the new PRICE Section and the key staff listed above.

In the event that HCD receives additional reallocated PRICE funding in the future or if an individual identified is unable to participate in the project, alternative staff will be engaged or hired. HCD has extensive experience procuring necessary expertise for a myriad of diverse projects and programs and is prepared to solicit appropriate support, as needed. HCD also has the systems in place for contractor and subrecipient management.

What is your experience promoting racial equity?

HCD's Mission is to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians. A guiding principle of HCD is diversity. This principle is realized by supporting, strengthening, and fostering diverse and inclusive teams, programs, and partnerships. HCD recognizes that diversity, inclusion, and equity are not only essential to the success of department programs, but critical for viable economic and social progress. Our workforce is a collaborative of culturally distinct staff members from across the state. This diversity and range of perspectives support and enhance our ongoing commitment to excellence in service to California's populations and the communities we serve.

HCD leads by example in California and throughout the country. For example, HCD's Director Gustavo Velasquez recently joined community and housing leaders at the 2024 Housing California

Conference to discuss the importance of equity, undoing the historic patterns of segregation, and HCD's commitment to affirmatively furthering fair housing. Mr. Velasquez is also an official member of the Statewide Digital Equity Planning Group. HCD has also been involved with Government Alliance on Race and Equity efforts in recent years.

HCD Equity Tool Handbook

The HCD Equity Collaborative contributed to the development of the HCD Racial Equity Action Plan and the HCD Equity Tool in 2020. The racial equity tool is designed to integrate explicit consideration of racial equity in decisions, including policies, practices, programs, and budgets. It is both a product and a process. Use of a racial equity tool is intended to help to develop strategies and actions that reduce racial inequities and improve success for all groups.

Diversity, Equity and Inclusion (DEI) Unit and Staff Resources

Program staff are supported by HCD's DEI Unit. Their core programs and services include DEI trainings, reporting, and awareness campaigns. They have also developed and report progress on HCD's Racial Equity Action Plan. The DEI Unit has also developed a Diversity Dashboard that tracks and reports workforce demographics in real time. The DEI unit also created a Cultural Diversity Committee, LGBTQ+ Committee, and a Disability Advisory Committee.

Native American Tribal Affairs

In 2019, the California Legislature passed Assembly Bill (AB) 1010 which requires that HCD meaningfully address tribal access and participation in HCD funding programs. AB 1010 expands the definitions of "local public entities" and "non-profits" used by our funding programs to include tribal entities, clarifying tribal access to vital housing resources. It also grants HCD's Director or Designee the ability to address barriers to access by modifying or waiving certain HCD program requirements. This an important authority because Tribal Nations have varying government structures and requirements that HCD standard practices may not initially accommodate. The law also establishes the California Indian Assistance Program (CIAP) to provide technical assistance to Tribes.

The Tribal Affairs Team provides internal technical assistance and guidance to department staff on how to implement language changes, tribal feedback, and plan for partnerships with Tribes, their housing departments, and Tribally Designated Housing Entities.

CDBG

Under HCD's existing CDBG framework/requirements, applicants are expected to design their programs and plan activities in ways that will reduce disparities and increase racial and socioeconomic equity in their communities. Applicants are to ensure all eligible persons receive equitable access to services, and are served with dignity, respect, and compassion regardless of circumstance, ability, or identity, which includes marginalized populations, including but not limited to, Black, Native and Indigenous, Latinx, Asian, Pacific Islanders and other people of

color, immigrants, people with criminal records, people with disabilities, people with mental health and substance abuse vulnerabilities, people with limited English proficiency, people who identify as LGBTQ+, and other individuals that may not traditionally access mainstream support⁴⁶.

All Applicants must identify the work performed to ensure racial equity in access to Programs, Projects, and activities funded with CDBG resources. Applicants must commit to analyzing disproportionality in access to housing, access to services, quality of service provision, and desired outcomes and affirmatively further equitable access, quality of service provision and outcomes for protected classes and other people of color who have been historically marginalized and are disproportionately impacted by housing segregation, poverty, and homelessness⁴⁶.

CDBG-CV

Since the onset of the CDBG-CV programs, HCD has engaged consultants to assist the department in providing meaningful and comprehensive training and technical assistance for grantees. Beginning with the CDBG-CV2 applications, grantees were surveyed about their ability to design and offer programs to the margins, including grantee's abilities to conduct analysis of racial disparities and identify ways to respond to racial inequity within their communities. Based on these survey responses, HCD has been able to generate recorded trainings, tools, and best practice examples to assist communities.

HCD has conducted a comprehensive overhaul of its CDBG Grants Management Manual from an equity, diversity and belonging lens, ensuring text is clear, understandable, and not inadvertently harmful. This process has allowed HCD to enhance equitable examples in their guidance, assisting grantees to design programs to the margins to serve those with the highest needs. HCD has continued to engage with grantees to identify their priorities in enhancing equity through additional surveys and will be offering more direct one on one technical assistance in the coming year, focused on grantee identified priorities.

Equity Training Series and Toolkits

DFFA is in the process of building equity toolkits for its various programs. For its CDBG program, HCD is developing an Equity and Belonging Toolkit in partnership with ICF, KW Consultants, and Equity First Consulting, a global Diversity, Equity and Belonging Strategy Firm co-designed by women of color and their allies. The toolkit, built off of engagement with grantees and HCD staff, is intended to support HCD's equity goals and provide a usable resource guide for people involved in implementing CDBG.

In 2023, HCD, in partnership with ICF, rolled out a new Racial Equity Toolkit specific to addressing inequities in who experiences homelessness and who successfully access homeless systems of care in 2023. The toolkit was developed to be a user-friendly way for the state and subrecipients to stay focused on Racial Equity and fill in any gaps that may exist in their communities. ICF has provided overviews and trainings of the toolkit during their regular ESG and ESG-CV hours which are open to staff and grantees alike.

ICF has also supported HCD's ESG and ESG-CV team and grantees with a Racial Equity Training Series in 2023. Some topics covered included, but are not limited to, Racial Equity and Data, Impacts of Implicit Bias in the Workplace, and Diversity in CoC Leadership.

What is your experience completing environmental reviews?

Within DFFA is a dedicated Environmental Services Team (EST) consisting of three Environmental Specialists that gives HCD the legal, technical, and administrative capacity to carry out the environmental responsibilities required by 24 CFR Part 58. The Specialists have over 15 years combined experience ensuring all steps of environmental review are appropriately completed for each HUD program. The Environmental Specialists are responsible for maintaining records of environmental documentation and reviewing engineering and scientific documentation for environmental reviews to ensure compliance with applicable regulations in HCD's role acting as HUD for Units of Local Government sponsored projects.

For projects in which HCD is the Responsible Entity, the Environmental Specialist is responsible for determining environmental impacts, consulting with the State Historic Preservation Officer and Tribes, submitting Requests for Release of Funds, and working with HUD to obtain the Authority to Use Grant Funds, and monitoring whether environmental mitigation measures are implemented. Our Senior Environmental Specialist (Ms. Kirsten Larsen) has performed many 24 CFR Part 58 environmental assessments. For projects requiring an Environmental Assessment, the team works with a department-contracted environmental consultant with qualified staff to assist on specialized studies.

The EST is supported by an on-call environmental contractor that maintains a current and thorough understanding of the National Environmental Policy Act and 24 CFR Part 58 and provides technical assistance and training to staff, subrecipients, and grantees.

Are you familiar with cross-cutting federal requirements?

HCD has significant experience ensuring compliance with cross-cutting federal requirements. All of HCD's federal programs are administered and designed in accordance with all applicable cross-cutting federal requirements including, but not limited to, 2 CFR Part 200, Davis-Bacon labor standards, nondiscrimination requirements, and URA. These requirements are incorporated into NOFAs, guidelines, manuals, forms, and templates, as applicable. Grantees and subrecipients are also expected to comply with all applicable cross-cutting requirements and these requirements are incorporated into agreements. Staff are trained in these requirements and HCD provides training and technical assistance to grantees and subrecipients. HCD also monitors for compliance with federal cross-cutting requirements.

HCD's Labor Compliance Specialist serves as the subject matter expert in Davis-Bacon and Related Acts (DBRA), Section 3, and Minority and Women Owned Business (MBE/WBE). The Labor Compliance Specialist is supported by professional consultants with experience providing technical assistance and monitoring services for projects covered by DBRA and Section 3.

HCD's Legal Affairs Division and Business and Contract Services Branch review or provide guidance on compliance on draft solicitations, contracts, or subawards for compliance. Dedicated, supervised personnel within each financial oversight division review federal agreements for compliance with, among others, 2 CFR Part 200, and program-specific requirements in supplemental guidelines that, in the case of PRICE, would include consultation on the PRICE Notice of Funding Opportunity (NOFO).

DFFA program staff will also have access to experts within the CSD Division, who are responsible for statewide Mobilehome park oversight. CSD will be available to provide expertise on the anticipated financial impact of displacement from manufactured housing, including informed estimates of renovation times, just compensation, and availability and cost of comparable replacement housing, for compliance with the Uniform Relocation Act (URA), including 49 CFR Part 24.

Note: Citations and notes are available in Attachment I.

Exhibit F - Factor (d): Match or Leverage

PRICE Main Application

Applicant: State of California

Match or Leverage

The California Department of Housing and Community Development (HCD) is firmly committing \$5 million in state funding to support implementation of the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program. This additional funding comes with added flexibilities that will allow us to support up to an additional estimated 47 households and 136 individuals for a total of approximately 677 households, including 570 low- and moderate-income households, and 1,977 individuals.

This funding will create an official partnership with the Manufactured Housing Opportunity and Revitalization (MORE) program, framework, and team. The MORE team will advise and interface with the new program and assist with adopting or adapting existing policies and procedures, support development Notices of Funding Availability (NOFAs), and facilitate and coordinate stakeholder engagement, training, and technical assistance.

Funding Risks

As described in *Factor (c): Capacity (Exhibit E)* and based on the current funding request, HCD is proposing a new standalone section within HCD's Division of Federal Financial Assistance (DFFA) to ensure effective and efficient implementation of the PRICE program. The section would consist of six new staff and a technical assistance contract at an estimate of up \$7.5 million over the six-year performance period. This estimate could change based on technical assistance needs and contracts, changes in indirect rates, and if some costs are billed as Activity Delivery Costs rather than administrative costs (see Budget Attachment for additional details).

There would be no funding risk or timeliness concerns if HCD is awarded less funds than requested. The proposed staffing plan and timeline would be adjusted and absorbed into existing operations accordingly and Key Staff listed in *Factor (c): Capacity (Exhibit E)* will take on more of the primary functions of the PRICE program, as needed.

The proposed leveraged funds would still be available and HCD would still have the full support and framework of the MORE program, Community Development Block Grant (CDBG), and CDBG-Disaster Recovery (CDBG-DR), combined with the expertise and capacity of the entire existing federal grant management division. However, HCD would have less funds for proposed activities in support of Mobilehome parks in California and depending on how much funding is provided, HCD may not be able to comprehensively address all proposed targets, goals, and objectives for rural, Tribal, and Colonia communities.

Exhibit G - Factor (e): Long-Term Effect

PRICE Main Application

Applicant: State of California

The California Department of Housing and Community Development (HCD) is proposing a 30-year period of affordability for units assisted under the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program. With affordability restrictions, comes many long-term benefits including:

- Affordable rents and the long-term preservation of approximately 677 households, including 570 low- and moderate-income (LMI) households, for 30 years that may have otherwise been lost forever¹⁸.
- Parks supported by HCD will be required to be properly permitted, ensuring that for the 30-year compliance period they are provided resources and additional attention and protections that comes with an HCD funded project.
- Projects will have demonstrated site control to ensure long term compliance and affordability.
- Ongoing monitoring to ensure compliance with health, safety, and affordability requirements.

The PRICE program is designed to provide many other long-term benefits for residents, park owners, vulnerable populations, disadvantaged communities, and even taxpayers including:

- Preserving housing can be more cost-effective than other alternatives, meaning less public investment is needed to support more LMI households and units, saving taxpayer dollars and giving low-income households more purchasing power.
 - a. Enterprise estimates that preservation costs two-thirds less than construction and has a smaller impact on the environment⁴⁷.
 - b. The California Coalition for Rural Housing estimates that manufactured housing can deliver as much as 55 percent in cost savings over comparable site-built housing⁴⁸.
 - c. On a square-meter basis, excluding the cost of land, the average price of a new manufactured home was less than half that of a site-built⁴⁹.
 - d. Prices for the manufactured homes are substantially lower than typical housing⁴¹.
 - e. The Turner Center estimates that the cost to develop a new affordable unit under the Low-Income Housing Tax Credit program has increased to more than \$480,000 to compared to under \$110,000 to repair a Mobilehome or \$315,000 to replace a mobilehome^{18,50}.
- Units preserved through the PRICE program could provide a savings of as much as 2.5 times a month on housing costs compared to all homeowners meaning a potential savings of over \$300,000 per household over the 30-year affordability period¹.
- Replacement, repair, and rehabilitation activities will improve sustainability and quality of life for residents and reduce long-term maintenance costs.
- Private equity giants are buying up manufactured homes⁴¹. Acquisition and preservation of Manufactured Housing Communities (MHC) at risk of conversion can reduce cost burdens caused by displacement.

- a. Displaced residents lose naturally, unsubsidized housing and must compete with other LMI households in an already tight and expensive housing market in high cost areas.
 - b. Displaced residents avoid costs associated with having to move or other present and future costs associated with acquiring a new home or due to increased rent.
 - i. This is particularly a priority in areas with high rents including the San Francisco and Los Angeles areas where rents far exceed many places across the country.
- Residents that aren't displaced in MHCs purchased by private investors are at risk of ongoing unstable rent or lot increases and other costs.
 - PRICE activities can reduce housing cost burden that is contributing to high poverty and homelessness rates in California. It is estimated that it costs the government on average \$42,000 per homeless person annually^{16,52}.
 - Disasters exacerbate existing problems for vulnerable populations that have a lack of financial resources to rebound quickly. PRICE mitigation and resilience activities, such as acquisition, development, rehabilitation, replacement, and elevation, will be available to support efforts to reduce the risk of future loss of life and property. These activities can reduce or eliminate future costs caused by disasters, including housing or employment disruption or displacement, providing long-term savings for residents, communities, and taxpayers⁵¹.
 - PRICE program funding leverages additional resources to make long-term investments for vulnerable populations in disadvantaged communities.
 - Technical assistance through PRICE will result in long term capacity building and financial benefits to underserved communities and low-capacity entities.
 - Voluntary buyout and relocation planning funds will help disaster impacted or prone areas support long term planning and mitigation efforts for their residents.

Note: Citations and notes are available in Attachment I.

Attachment A - Advancing Racial Equity

PRICE Main Application

Applicant: State of California

Factor (a): Need (Exhibit C) emphasizes the challenges facing manufactured homes and mobilehome parks and provides a summary of the impacts that the housing crisis and disasters have on people of color, vulnerable populations, and Low- and Moderate-Income (LMI) households. Some of the key points are reiterated here:

- It is estimated that there are up to 1.5 million California residents living in over 500,000 manufactured homes and over 4,000 registered mobilehome parks, the second highest in the nation^{18,19}. These units account for approximately four percent of the housing stock across the state, and account for a higher percentage of the housing stock in California's rural counties, as much as 23.5 percent in some counties³.
- Manufactured housing represents an estimated 12 percent of the housing units, on average, on tribal land³.
- Manufactured home units represent a significant portion of the non-deed restricted affordable housing stock in counties impacted by the 2023 federally-declared disasters (storms). The general demographics for older units are LMI households, as well as seniors²³.
- Throughout the state, many of the individuals affected by unaffordable housing costs are people of color. Among all Californians living in households paying more than 30 percent of income toward housing costs in 2017, more than two-thirds were people of color, and about 45 percent were Latinx³⁵.
- Statewide, 12 percent of households with incomes below 30 percent of Area Median Income (AMI) and with one or more severe housing problems are identified as Black/African American, compared to six percent of the population of California overall and nine percent of California's population in poverty¹¹.
- Many communities and populations are especially vulnerable to wildfires and flooding, including low-income communities, migrant populations, populations whose primary language is not English, Indigenous, Black and Latina/e/o populations, communities of older adults, those with respiratory and other health concerns, and those with access or functional needs. The California State Hazard Mitigation Plan states that seven percent of exposed population (those living in high and very high fire hazard severity zones) identified as living in equity priority communities²².

In addition to the barriers listed in *Factor (a): Need (Exhibit C)*, the 2020 Analysis of Impediments to Fair Housing Choice highlights the following impediments:

- Inadequate supply and production of affordable homes available to low-income households and persons in protected classes.
- Vulnerable supply of affordable housing stock threatens housing options for lower-income and protected households.
- Low-income households, rural communities, and persons in protected classes are disproportionately experiencing severe housing problems, a lack of adequate housing options, and disparities in infrastructure.
- Low-income households and protected classes are often disproportionately impacted by climate change, environmental injustice or unsustainable land use, and development practices.

- Lack of adequate accessible housing options, specifically for persons with mobility and sensory disabilities, limits housing choice for low-income households and people with disabilities.

Reducing barriers faced by vulnerable populations and increasing the availability of housing statewide is critical to bettering the quality of life of all Californians and to ending homelessness. HCD's PRICE program will prioritize vulnerable and LMI households through the preservation and rehabilitation of manufactured homes and mobilehome parks; increase resiliency through acquisition, planning, and site improvements; and ensure that assisted LMI households will be protected by applicable HCD and state protections, as well as a 30-year affordability period. By way of example, the Manufactured Housing Opportunity & Revitalization (MORE) program is expected to assist 906 units restricted at 80 percent AMI for 30 years.

If awarded funds, HCD will amend and follow its Citizen Participation Plan, which describes the process for encouraging citizens, including minorities and non-English speaking persons, as well as persons with disabilities, to participate in the development of any future amendments to the PRICE Action Plan. HCD will also continue to provide technical assistance to partners and grantees and seek and encourage diverse stakeholder participation through the life of the grant.

To track progress towards reducing these barriers, HCD will use data collection through its grants management systems and through the Disaster Recovery Grant Reporting System's (DRGR's) Annual Performance Report (APR). HCD will track and report activities and their progress, expenditures, compliance with national objectives, and outcomes, including units and beneficiaries, as applicable. Demographic information will be reported at project completion and compared to relevant demographic information at the jurisdiction or community level to evaluate the approach to racial equity in the projects. The PRICE Action Plan and APRs will be posted on HCD's website.

Note: Citations and notes are available in Attachment I.

Attachment B - Affirmative Marketing

PRICE Main Application

Applicant: State of California

The California Department of Housing and Community Development (HCD) will affirmatively market the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program statewide to ensure owners and developers of mobilehome parks least likely to apply for assistance will be provided equal access to the funding opportunity. HCD will conduct targeted outreach to Black, Indigenous, and Other People of Color (BIPOC) populations; Emerging Developers; and those with limited English proficiency through its various listservs and social media channels.

In accordance with HCD's existing Community Development Block Grant CARES Act (CDBG-CV) and HOME Investment Partnerships Program (HOME) Affirmative Fair Housing Marketing Plan (AFHMP) policies, all PRICE assistance provided to owners and/or renters of mobilehomes for rehabilitation or replacement of units, and voluntary buyout and relocation planning for communities with mobilehome parks in hazard-prone areas, will be affirmatively marketed broadly throughout the local area (and within parks acquired and/or rehabilitated with PRICE assistance), and nearby areas to ensure equal access to any demographic groups that would be unlikely or least likely to apply without affirmative measures.

Recipients of PRICE assistance (owners and developers of mobilehome parks with five or more lots/units/spaces) will be required to submit an AFHMP using the Department of Housing and Urban Development (HUD) form HUD-935.2A detailing the following:

- Methods for informing the public, owners, and potential tenants about federal fair housing laws and affirmative marketing policy (i.e., through the use of the fair housing logo or equal opportunity language in marketing materials, posters on office walls, and referrals to fair housing agencies).
- Requirements and practices each rental project owner must adhere to in order to carry out the affirmative marketing procedures and requirements (e.g., advertising requirements, outreach to community groups, Equal Opportunity logo, fair housing poster).
- Procedures to be used to inform and solicit applications from persons in the housing market area that are not likely to apply for the housing without special outreach. These efforts might include advertising in non-English language newspapers, targeted outreach through direct mail, informing service agencies about the project, community organizations, places of worship, and translators at public meetings.
- Records that will be kept describing actions taken to affirmatively market assisted units and records to assess the results of these actions.

A description of how recipients will annually assess the success of their affirmative marketing actions, and what corrective actions will be taken when affirmative marketing requirements are not met (i.e., making an annual review of who the program or project is serving to determine whether they are reaching members of protected classes and to determine which marketing vehicle works best to reach persons who might not be likely to apply).

Attachment C - Affirmatively Furthering Fair Housing

PRICE Main Application

Applicant: State of California

In California, the landscape of mobilehome living is significant, with 5,231 active mobilehome/RV parks spread across the state, providing a total of 363,292 mobilehome lots/spaces. As of 2017, nearly 50 percent of the mobilehomes in California were built prior to the 1976 Mobilehome Park Residency Law, and without the consistent building standards prior to the Law, these older units are far more likely to be in need of repair or replacement^{4,18}.

The concentration of mobilehome residents in these parks exposes them to the risk of housing instability, particularly when landowners opt to raise rents. Such increases can significantly burden homeowners, especially those with limited financial resources, who may struggle to relocate their mobilehomes. This risk is particularly acute for vulnerable populations such as seniors, persons with disabilities, and farmworkers, who often rely on mobilehomes as a crucial and affordable housing option, especially in rural counties.

In addition to the threat of rent hikes, the diminishing number of mobilehome lots compounds the challenges faced by residents. Statewide data reveals a concerning trend, with the loss of 4,792 mobilehome lots over the last decade and the closure of over 400 mobilehome parks in the past 20 years⁵³. This decline not only limits the availability of affordable housing, but also contributes to the displacement of residents, further exacerbating the housing crisis in California. Addressing these issues requires comprehensive strategies to protect mobilehome residents from eviction, ensure affordable housing options, and preserve the existing mobilehome infrastructure across the state.

In 2018, the California State Legislature passed Assembly Bill (AB) 686 to expand upon the fair housing requirements and protections outlined in the Fair Employment and Housing Act (FEHA). AB 686 requires all state and local public agencies to facilitate deliberate action to explicitly address, combat, and relieve disparities resulting from past patterns of segregation to foster more inclusive communities. The passage of AB 686 protects the requirement to affirmatively further fair housing within California state law, regardless of future federal actions. It also preserves the strong policy in the Department of Housing and Urban Development (HUD) Affirmatively Furthering Fair Housing (AFFH) rule, as published in the Federal Register in 2015. As of January 1, 2019, AB 686 proactively applies the obligation to affirmatively further fair housing to all public agencies in California. Public agencies must now examine existing and future policies, plans, programs, rules, practices, and related activities and make proactive changes to promote more inclusive communities. Oversight is led by the Department of Housing and Community Development (HCD)'s Fair Housing Unit.

HCD has a unique enforcement role in state housing laws and the provision of housing. HCD enforces state housing laws to meaningfully and positively impact the provision of housing in all communities across the state. California's housing crisis has reached historic proportions despite the passage of numerous laws intended to increase the supply of housing affordable to Californians at all income levels. As part of the 2021-2022 state budget, HCD received additional staff to grow its accountability efforts, and formed the Housing Accountability Unit (HAU). While education and technical assistance are always the first steps in HCD's accountability efforts, the HAU holds jurisdictions accountable for meeting their housing element commitments and complying with state housing laws. Violations of these state laws may lead to consequences, including revocation

of housing element certification and/or referral to the California Office of the Attorney General. HCD is prepared to assist developers and entities utilizing PRICE grant funds to preserve and revitalize manufactured homes in California.

Consistent with state and federal fair housing requirements, HCD has made and will continue to make meaningful actions towards meeting its fair housing goals, as articulated in HCD's 2020 Analysis of Impediments. Applicants to the PRICE program will be informed about and required to certify and comply with all civil rights laws and authorities through Notices of Funding Availability (NOFAs), applications for funding, Standard Agreement templates, and required closing or other documents. Additionally, in order for jurisdictions to be awarded federal housing funds, they must have a substantially compliant Housing Element, which includes a state version of AFFH.

The main barriers detailed in *Factor (a): Need (Exhibit C)*:

- High Land Values, High Risk of Conversion
- Supply and Production of Affordable Homes
- Financing Challenges
- Disaster Impacts and Vulnerability, Lack of Investment

The proposed activities listed in the *Factor (b): Soundness of Approach (Exhibit D)* address the specific barriers in the following ways:

- Helps meet state housing, fair housing, and equity goals by increasing affordable housing supply and easing the housing crunch.
- Reduces housing cost burden and poverty and increases housing stability for Low and Moderate Income (LMI) households with the preservation and revitalization of manufactured housing.
- Prevents mobilehome park conversions to other uses and stabilizes unsustainable rent increases in high cost of living areas with the acquisition activities.
- In a climate of rising construction costs and delays, manufactured housing provides a more cost-effective and affordable housing option.
- Prevents closure of suspended mobilehome parks and addresses health, safety, and substandard conditions, as well as insufficient infrastructure through acquisition, repair, rehabilitation, and site improvement activities.
- Improves equity outcomes and conditions for disadvantaged communities and those that are disproportionately impacted by substandard housing conditions, lack of investment, and high cost of living.
- Increased technical assistance and capacity building to underserved and lower capacity communities and entities.
- Projects monitored for compliance with habitability and affordability requirements.
- As described in the *Factor (b): Soundness of Approach (Exhibit D)*, the State of California has a number of protections and resources available for mobilehome owners that will be accessible as part of this program.

Note: Citations and notes are available in Attachment I.

Attachment D - Eligible Applicants Documentation

PRICE Main Application

Applicant: State of California

Applicant: State of California

Address:

California Department of Housing & Community Development
2020 W. El Camino Avenue, Suite 200 | Sacramento, CA 95833

Eligible Applicant: State Government

Attachment E – Evidence of Partnership Letters

PRICE Main Application

Applicant: State of California

N/A

Attachment I – Citations and Notes

PRICE Main Application

Applicant: State of California

- 1 - “California Affordable Housing Need and The Role of Manufactured Housing.” *Prosperity Now*, 26 Dec. 2017, [California Metro Opportunity Data Snapshot December2017 0.pdf](#) ([prosperitynow.org](#))
- 2 – Chapter 11 (commencing with Section 50780 of Part 2 of Division 31 of the California Health and Safety Code (HSC))
https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=31.&title=&part=2.&chapter=11.&article=
- 3 - United States Government Accountability Office, 2023, *Further HUD Action Is Needed to Increase Available Loan Products*, <https://www.gao.gov/assets/gao-23-105615.pdf>. Accessed 26 Apr. 2024. [gao-23-105615.pdf](#)
- 4 – State of California 2022 Statewide Housing Plan (and Data Dashboard)
<https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>
- 5 - SB-244 Local government: land use: general plan: disadvantaged unincorporated communities
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB244
- 6 - Mukhija, Vinit & Monkkonen, Paavo. (2006). Federal colonias policy in California: Too broad and too narrow. *Housing Policy Debate - HOUS POLICY DEBATE*. 17. 755-780. 10.1080/10511482.2006.9521589.
https://www.researchgate.net/publication/253768748_Federal_colonias_policy_in_California_To_o_broad_and_too_narrow
- 7 - “Housing Affordability Index - Traditional.” *CALIFORNIA ASSOCIATION OF REALTORS®*, 2023, Data derived from Source:
<https://www.car.org/marketdata/data/haitraditional>
- 8 – UCLA Report: Phillips, Shane, et al. A California 100 Facts, Origins and Trends Report, 2022, *Housing And Community Development In California: An In-Depth Analysis of the Facts, Origins and Trends of Housing and Community Development in California*, <https://escholarship.org/uc/item/32m1g6xk>. Accessed 26 Apr. 2024.
<https://www.lewis.ucla.edu/research/housing-and-community-development-in-california-an-in-depth-analysis-of-the-facts-origins-and-trends-of-housing-and-community-development-in-california/>
- 9 - Wiley, Keith, George, Lance, Lipshutz, Sam. “Colonias Investment Areas: A More Focused Approach” *Cityscape: A Journal of Policy Development and Research* Volume 23, Number 3, 2021. <https://www.huduser.gov/portal/periodicals/cityscpe/vol23num3/ch1.pdf>

10 - Dias Mesquita, Aureo, and Sara Kimberlin. “Who Is Experiencing Housing Hardship in California?” *California Budget and Policy Center*, 6 May 2022, <https://calbudgetcenter.org/resources/who-is-experiencing-housing-hardship-in-california/>

11 – State of California 2020-24 Federal Consolidated Plan, Amendment to 2021-22 Annual Action Plan, HOME Investment Partnerships American Rescue Plan (HOME-ARP Allocation Plan). <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/state-of-california-home-arp-allocation-plan.pdf>

12 – Mazzella, M. Danielle. California Housing Partnership, March 2024. [California-Affordable-Housing-Needs-Report-2024-1.pdf \(chpc.net\)](https://www.chpc.net/California-Affordable-Housing-Needs-Report-2024-1.pdf)

13 - Taylor, Mac. Legislative Analyst’s Office, An LAO Report: “California’s High Housing Costs, Causes and Consequences”. <https://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

14 - Alameldin, Muhammad, and David Garcia. “The Cost to Build New Housing Keeps Rising: State Legislation Aiming to Reverse the Upwards Trend.” *Terner Center*, Terner Center for Housing Innovation, 4 Aug. 2022, ternercenter.berkeley.edu/research-and-policy/cost-to-build-housing-legislation-2022/. [The Cost to Build New Housing Keeps Rising: State Legislation Aiming to Reverse the Upwards Trend - Terner Center \(berkeley.edu\)](https://ternercenter.berkeley.edu/research-and-policy/cost-to-build-housing-legislation-2022/)

15 - Fontinelle, Amy. “Median Home Prices by State 2024.”, *Forbes Advisor*, 18 April 2024. Accessed 1 May 2024. <https://www.forbes.com/advisor/mortgages/real-estate/median-home-prices-by-state/>

16 - Kimberlin, Sara. “Poverty and Housing Costs in California: Data and Policy Solutions.” *California Budget and Policy Center*, Sept. 2017, calbudgetcenter.org/resources/poverty-housing-costs-california-data-policy-solutions/. <https://calbudgetcenter.org/resources/poverty-housing-costs-california-data-policy-solutions/>

17 - Yau, Nathan. “Renting vs. Owning a Home, by State.” *Flowing Data*. Accessed 1 May 2024. <https://flowingdata.com/2023/08/25/renting-vs-owning-a-home-by-state/>

18 – Internal registered mobilehome park and manufactured housing database which does not include the entire universe of parks, units, or individuals. Individuals are based on the number of units times the average household size of 2.92 (per State Housing Plan). Data also includes the MHC Risk Assessment Tool and other data compiled from Codes and Standards, MORE Program, and Disaster Recovery

19 - “California Mobile Home Park Statistics.” *MHPHOA*, 1 Jan. 2024. [California Mobile Home Park Statistics \(mhphoa.com\)](https://www.mhphoa.com/)

- 20 - Abu-Khalaf, Ahmad, et al. Enterprise Community Partners, 2021, *Policy Brief: Preserving the Affordability of Manufactured Homes in Land-Lease Communities*. [Enterprise Policy Brief on Preserving the Affordability of Manufactured Homes in Land-Lease Communities 2021.pdf](#) ([enterprisecommunity.org](#))
- 21 -California Coalition for Rural Housing. “California’s Housing Crisis and Manufactured Housing Communities.” *California Coalition for Rural Housing*, Accessed 26 Apr. [Mobilehome case studies.pdf](#) ([calruralhousing.org](#))
- 22 –*California State Hazard Mitigation Plan*, Volume 1 2023. Cal OES. https://www.caloes.ca.gov/wp-content/uploads/Hazard-Mitigation/Documents/2023-California-SHMP_Volume-1_11.10.2023.pdf
- 23 – *Community Development Block Grant – Disaster Recovery Action Plan 2023*, HCD, Submitted to HUD April 4, 2024. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/dr/2023-draft-action-plan.pdf>
- 24 – U.S. Census Bureau 2018-2022 American Community Survey, 5 Year Estimates (Various) Table DP03 Selected Economic Characteristics from 2022 ACS 5-Year Estimates “Percentage of families and people whose income in the past 12 months is below the poverty level” [https://data.census.gov/table/ACSDP5Y2022.DP03t=Poverty&g=040XX00US06\\$0500000&moe=false](https://data.census.gov/table/ACSDP5Y2022.DP03t=Poverty&g=040XX00US06$0500000&moe=false)
- 25 - Bohn, Sarah, et al. “Poverty in California.” *Public Policy Institute of California*, Public Policy Institute of California, . Accessed 26 Apr. 2024. <https://www.ppic.org/publication/poverty-in-california/#:~:text=The%20poverty%20rate%20rose%20from, costs%20and%20safety%20net%20benefits>
- 26 – U.S. Census Bureau, Table S1901 Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars) from 2022 ACS 5-Year Estimates which provide median income estimates and percentages for all Metropolitan and Micropolitan Statistical Areas in CA. [https://data.census.gov/table/ACSST5Y2022.S1901?t=Income%20\(Households,%20Families,%20Individuals\)&g=040XX00US06\\$3100000&moe=false](https://data.census.gov/table/ACSST5Y2022.S1901?t=Income%20(Households,%20Families,%20Individuals)&g=040XX00US06$3100000&moe=false)
- 27 - Reserved
- 28 - “Unemployment Rates for States.” *U.S. Bureau of Labor Statistics*, U.S. Bureau of Labor Statistics, 19 Apr. 2024, (pulled 4.23.24) <https://www.bls.gov/web/laus/laumstrk.htm>
- 29 - *California Labor Market Review*, 2024. (Accessed May 2024). <https://labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>

30 - Duan, Jenny, and Sarah Bohn. “How Is California’s Labor Market Doing amid Inflation Pressures?” *Public Policy Institute of California*, 26 Jan. 2024, [How Is California’s Labor Market Doing amid Inflation Pressures? - Public Policy Institute of California \(ppic.org\)](#)

31 - “California Unemployment Rate (I:CURSM).” *YCharts*, 19 Apr. 2024, https://ycharts.com/indicators/california_unemployment_rate

32 – Reserved

33 - “Methodology for Determining Rural Status of Project Site for 2023 Applications.” California Tax Credit Allocation Committee, 13 January 2023, [rural-status.pdf \(ca.gov\)](#)

34 - “Labor Force and Unemployment Interactive Map.” *Interactive Maps and Data Tools*, California State Employment Development Department, Accessed 26 Apr. 2024. <https://labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>

35 - Kimberlin, Sara. California Budget and Policy Center, 2019, *California’s Housing Affordability Crisis Hits Renters and Households With the Lowest Incomes the Hardest*, Accessed 26 Apr. 2024. https://calbudgetcenter.org/app/uploads/2019/04/Report_California-Housing-Affordability-Crisis-Hits-Renters-and-Households-With-the-Lowest-Incomes-the-Hardest_04.2019.pdf

36 - *FEMA Community Disaster Resilience Zones*, 5 Sept 2023. <https://fema.maps.arcgis.com/home/item.html?id=a05ccbacd1174dddac38bd75bd304d18#data>

37 - Using the National Risk Index (accounts for see above), FEMA has identified the most at-risk and in-need communities. “The National Risk Index.” Accessed 26 Apr. 2024. [National Risk Index for Natural Hazards | FEMA.gov](#)

38 - Richardson, Sidney. “What Is a Chattel Mortgage?” *What Is A Chattel Mortgage And How Does It Work?*, Rocket Mortgage, 31 Jan. 2024, www.rocketmortgage.com/learn/chattel-mortgage. <https://www.rocketmortgage.com/learn/chattel-mortgage>

39 - Reserved

40 - Reserved

41 - *Private Equity Giants Converge on Manufactured Homes*, Manufactured Home Pro News, Feb. 2019, [Private-Equity-GIants-Converge-on-Manufactured-Homes-PESP-MHAction-AFR-021419DailyBusinessNewsMHPProNews.pdf \(manufacturedhomepronews.com\)](#)

42 - Department of Housing and Urban Development Community Development Fund https://www.hud.gov/sites/dfiles/CFO/documents/18_2022CJ-CommunityDevelopmentFund.pdf

- 43 – *Community Development Block Grant-Disaster Recovery Action Plan 2020*. HCD, Approved by HUD 5 August, 2022. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/dr/2020-PAP-Final.pdf>
- 44 – *State of California 2020-2024 Federal Consolidated Plan*, HCD https://www.hcd.ca.gov/policy-research/plans-reports/docs/2020-2024_CP.pdf
- 45 – *State of California 2020-2024 Federal Consolidated Plan Annual Action Plan One Year Use of Funds Fiscal year 2024-2025*. HCD, Draft 15 February, 2024. <https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/plan-report/2024-2025-draft-annual-action-plan.pdf>
- 46 – *2023 Community Development Block Grant Program Notice of Funding Availability*. HCD, 29 September 2023. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/cdbg/cdbg-nofa-september-2023.pdf>
- 47 - *Preservation: A Way Forward*, Enterprise Community Partners, 2023, [Enterprise-Preservation-A-Way-Forward_1.pdf](https://www.enterprisecommunity.org/files/2023/09/Preservation-A-Way-Forward_1.pdf) ([enterprisecommunity.org](https://www.enterprisecommunity.org))
- 48 - Bandy, Ph.D., Dewey. California Coalition for Rural Housing, Sacramento, California, 2010, *Affordable Manufactured Housing Best Practices: Opportunities for California Affordable Housing Developers*, (Accessed April 24, 2024). [8d7a46_71b86ee62a084deeb7c4f9ff7a8f4767.pdf](https://www.wix.com/8d7a46_71b86ee62a084deeb7c4f9ff7a8f4767) (wix.com)
- 49 – Park, Kevin A. *Real and Personal: The Effect of Land in Manufactured Housing Loan Default Risk*. Cityscape: A Journal of Policy Development and Research Volume 24, Number 3, 2022. <https://www.huduser.gov/portal/periodicals/cityscape/vol24num3/ch14.pdf>
- 50 – Reid, Carolina, Turner Center. *The Costs of Affordable Housing Production: Insights from California’s 9% Low-Income Housing Tax Credit Program*. Turner Center for Housing Innovation UC Berkeley, March 2020. https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/LIHTC_Construction_Costs_2020.pdf
- 51 - Rumback, Andrew, Ph.D., et al. *Mobile Home Parks and Disasters: Understanding Risk to the Third Housing Type in the United States*. ASCE, Nat. Hazards. Rev., 2020, 21(2). <https://par.nsf.gov/servlets/purl/10318308>
- 52 - *Something is clearly off with California’s homeless spending*. CAL MATTERS, 17 July 2023. <https://calmatters.org/commentary/2023/07/something-clearly-off-homelessness-spending/>
- 53 - Kramon, Katie. “California’s Affordable Mobile Home Parks Vanishing.” *Peninsula Press*, 11 Mar. 2015, <http://peninsulapress.com/2015/03/11/mobile-home-parks-california/>