



# COUNTY OF HUMBOLDT

For the meeting of: 7/9/2024

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File #: 24-1034

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**To:** Board of Supervisors

**From:** Planning and Building Department

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Submission of a Grant Application to the Department of Housing and Urban Development for the 2023-2024 Preservation and Reinvestment Initiative for Community Enhancement Funding in the Amount of \$5 Million

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Adopt attached Resolution (Resolution 24-\_\_\_)(Attachment 1) doing the following:
  - a. Approving an application for funding to be submitted to the Department of Housing and Urban Development (HUD) for the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Program in an amount not to exceed \$5 Million; and
  - b. Authorizing and directing the Planning and Building Department Director to execute, in the name of the County of Humboldt, the application, the Standard Agreement, and all other documents required by HUD for participation in the PRICE Program, and any amendments.

**STRATEGIC PLAN:**

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Housing for All

Strategic Plan Category: 4002 - Increase and prioritize housing development

**DISCUSSION:**

HUD has issued a Notice of Funding Opportunity (NOFO) which appropriates \$235 million in competitive grant funding for the preservation and revitalization of manufactured housing and eligible manufactured housing communities. This funding competition uses the Community Development Block Grant (CDBG) statutory and regulatory framework for this first-of-its kind initiative.

Manufactured housing is a critical piece of Humboldt County's affordable housing stock that provides a home to over 2,800 Humboldt residents. PRICE focuses on affordable housing preservation by encouraging revitalization and enhancement activities to preserve existing manufactured homes, including repair, rehabilitation and replacement of existing manufactured homes, infrastructure improvements and planning and resilience activities. The goals and objectives of the grant funding include:

- Increase housing supply and affordability for people of modest means nationwide, including in urban, suburban, rural, and tribal areas

- Preserve and revitalize existing manufactured housing and manufactured housing communities
- Increase resilience to extreme weather, natural hazards, and disaster events, support energy efficiency, and protect the health and safety of manufactured housing residents
- Promote homeownership opportunities and advance resident-controlled sustainable communities through new and revitalized units of manufactured housing that will remain affordable
- Support accessibility modifications, repairs, and replacement of deteriorating manufactured housing units - especially to increase accessibility and access for persons with disabilities, facilitate aging in place for older adults and increase access to affordable housing for low-income households

On March 29, 2024, Planning and Building held a duly noticed public meeting to discuss housing funding, including funding from CDBG, and to solicit project ideas from the community. The comments included increasing funding for development and rehabilitation of affordable housing, providing assistance to affordable units to avert evictions, removing barriers to aging-in-place and providing for infrastructure improvements. The proposal from the county would address these comments.

There are many significant challenges that may impact housing stability for those that live in manufactured homes.

- Despite perceptions of manufactured housing as “mobile,” manufactured housing can be very expensive and complicated to move, and more than 90% of manufactured homes do not move after the initial installation. This can present a significant challenge for owners of manufactured homes who do not own the lot underneath their unit. For some manufactured homeowners that rent a lot in a manufactured housing community (MHC), there is the potential for landowners or investors to increase lot rents, forcing homesite renters to make a difficult decision: pay to move their home, pay the increased rent, or leave their valuable asset.
- Due to state titling laws, many prospective homeowners looking to purchase a manufactured home may have no option but to finance their home with personal property or “chattel” loans, which often have higher interest rates than typical real property mortgages - even in situations where they may own the lot their home sits on. Many older manufactured homes require repairs or enhancements to make them livable and suitable to their environment, or they are sited in hazard prone areas.
- Nearly a third of households living in manufactured housing are headed by an elderly individual, and manufactured housing households have a higher prevalence of a significant disability. These vulnerable populations need access to infrastructure and amenities that are often unavailable for residents of manufactured housing. The infrastructure serving manufactured housing communities is often self-operated, not built to high standards and has become increasingly stressed by deferred maintenance and extreme climate and weather events.

HUD is issuing the PRICE competition NOFO to preserve long-term housing affordability for residents of manufactured housing or a Manufactured Home Community (MCH), to redevelop MHCs, and to primarily benefit low- and moderate-income (LMI) residents. The minimum award amount is \$5 million per applicant.

Eligible revitalization activities are broad and may include infrastructure or housing (and other eligible activities). HUD is instituting a requirement that all manufactured housing units receiving PRICE assistance must be maintained as affordable for a minimum period.

Humboldt County proposes the following eligible uses:

- Repair, rehabilitation, or replacement of existing manufactured housing units (pre-1976 units, which were referred to as mobile homes, may only be replaced. PRICE funds may not be used for their repair or rehabilitation)
- Development or improvement of infrastructure that supports new or existing MHCs and/or manufactured housing units, including roads, sidewalks, water, and wastewater infrastructure including well and septic systems, and utility hookups
- Environmental improvements such as remediation of contaminants
- Resident and community services, including relocation assistance (which may include moving manufactured housing units) and eviction prevention
- Resilience activities, which include the reconstruction, repair, or replacement of manufactured housing and MHCs, as well

as that for infrastructure serving MHCs, to enhance their safety and stability in the face of natural hazards such as, but not limited to, wildfires, earthquakes, tornados, extreme heat, and flooding, and to mitigate known hazards and the rising threat that extreme weather events present to manufactured housing due to climate change, except that for pre-1976 mobile homes, funds made available under resilience activities may be used only for replacement.

**SOURCE OF FUNDING:**

Department of Housing and Urban Development's (HUD) Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Program 2023-2024 Allocation

**FINANCIAL IMPACT:**

This action solicits grant funds from HUD and allows for 5% of the funds to be used for staff and indirect costs. For a \$5,000,000 grant this amounts to \$250,000 over 5 years for staff to administer the program and for program costs in Fund 1100, Budget Unit 282 - Advanced Planning. Given the difference between what the grant can be charged for staff time and the actual cost of staff the General Fund will need to supplement for about \$28,000 per year. The General Fund contribution has been included in the Fiscal Year 2024-25 budget, no additional General Fund is requested.

**OTHER AGENCY INVOLVEMENT:**

The Department of Housing and Urban Development

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board may choose not to apply for the HUD funds.

**ATTACHMENTS:**

Attachment 1: Draft Resolution

**PREVIOUS ACTION/REFERRAL:**

Meeting of: N/A

File No.: N/A