

Salt Lake County- Draft PRICE Application

Overview/Executive Summary

Salt Lake County submits this application for consideration of funding in response to U.S. Department of Housing and Urban Development (HUD) Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program Notice of Funding Opportunity (NOFO) . This application represents a vital step towards addressing the critical challenges faced by manufactured housing and manufactured housing communities (MHCs) within Salt Lake County.

HUD has allocated \$225 million in competitive grant funding through the PRICE program, specifically designated for the preservation and revitalization of manufactured housing and eligible manufactured housing communities. Manufactured housing is a critical piece of the nation's affordable housing stock that provides a home to over 22 million Americans. Manufactured housing and manufactured housing communities (MHCs) face significant challenges to affordability, resilience, infrastructure, and maintenance that are exacerbated by state titling and local zoning laws, financial pressures from landowners or investors, and extreme weather, natural hazards, and disaster events.

The PRICE program will support low- and moderate-income homeowners with manufactured housing units and manufactured housing communities with critical investments such as repairs, infrastructure improvements, upgrades to increase resilience.

The creation of this PRICE project, as outlined in the application, aligns with the current Salt Lake County Consolidated Plan. Salt Lake County's Consolidated Plan aims to identify the greatest needs in Salt Lake County through a public process and public input. Through this process, it was evident that there was a disproportionate need for greater affordable housing. The housing shortage and the rapid rise in both home prices and rental rates have been particularly burdensome for special needs households: the elderly, large families, single-parent, minority, and disabled. A disproportionate share of these special needs households is very low and extremely low-income.

Salt Lake County has made a firm commitment to preserving rental and homeowner-occupied housing units and promoting homeownership. This commitment is a key pillar of the Salt Lake County Consolidated Plan, which is dedicated to ensuring an equitable focus on preserving and revitalizing housing to address the most urgent needs.

Additionally, engaging more with MHCs will be a key part of the new Consolidated plan, which will run from 2025 to 2029. It has become apparent that investment in MHCs will keep the homes safe and healthy, reduce displacement, and increase household stability.

The PRICE program will focus on three primary activities:

Rehabilitation of Manufactured Homes, Lot Rent Assistance, and Infrastructure Improvement

1. Preservation and revitalization activities, including rehabilitation of Manufactured Homes:

Funding will support critical repairs and upgrades to existing manufactured homes, ensuring decent, safe, and sanitary living conditions. Modifications to accommodate an aging population will be prioritized.

Funding will be used to provide rehabilitation of existing manufactured homes. This includes repairing or replacing major systems, such as HVAC, water heaters, windows, plumbing, and electrical. Funding will also be used to renovate and repair different areas of the home such as bathrooms, kitchens, and flooring. Salt Lake County has identified through other repair and rehab programs that funding is needed to modify homes to accommodate an aging population. Items like grab bars, lower cabinets, and walk in tubs are essential to keeping elderly residents in their home. Funding will be used to make these types of modifications to avoid making otherwise able-bodied residents leave their homes for assisted living or other housing situations.

2. Creation of a manufactured housing preservation fund to assist with Lot Rent payments:

Qualified households facing temporary financial crises will receive lot rent assistance, mitigating the risk of eviction and homelessness.

Funding will also be used to provide MHC lot rent for households who qualify for rehab assistance and have a life event that limits their ability to pay lot rent. Often, a manufactured home is sitting on land not owned by the homeowner. This leaves residents vulnerable to a change in ownership or an increase in rent that forces the homeowner to relocate. If a mobile home has been sitting on the same lot for upwards of 50 years, moving the home is not an option and can lead to homelessness and eviction from the lot as well as the loss of the manufactured home altogether. By providing lot rent assistance, a household can regain stability while they have their lot rent covered by the program. Households that are eligible for this assistance will have a demonstrated ability to assume lot rent at the end of the assistance.

3. Manufactured Home Communities Infrastructure Improvement: Manufactured Home Communities serving low to moderate-income households may apply for funds to develop or enhance infrastructure, promoting community resilience and well-being.

Funding will be provided to MHC's who qualify as serving low to moderate income households that apply to the County for funds to develop or improve infrastructure that supports MHC's and manufactured units. Examples outlined in the NOFO that MHC's may apply for include installing public facilities and improvements such as roads, pads, sidewalks, curbs and gutters, parks, playgrounds water and sewer lines, wells, septic tanks, flood and drainage improvements, fire breaks, parking lots, and any other improvement as allowed by the NOFO.

Need:

According to data from 2022 provided by the Wasatch Front Regional Council, Salt Lake County has over 6,300 mobile and manufactured homes within our boundaries. These homes are spread out across the 807 square miles of the County, with some cities having a slightly larger population of mobile homeowners than others. With such a large spread, the County does not want to limit itself to only serving a specific community and instead will focus on any mobile homeowners anywhere in the County. Specific areas that do have slightly denser pockets of mobile and manufactured homes will receive more targeted outreach. These communities are West Valley City, Taylorsville City, South Salt Lake City, Magna, and Sandy City. These specific Cities have

66% of the total manufactured homes in the County. The average age of a mobile home in Salt Lake County is 52 years old. This puts the majority of mobile homes ineligible for existing rehab and weatherization programs, which have a requirement to only assist households who reside in a unit that was built after 1976.

In 2023, the Kem C. Gardner Institute reviewed all available affordable housing across the entire state of Utah. The study found that in Salt Lake County, there is a deficit of affordable housing options for households at or below 80% of the Area Median Income (AMI), with 47,737 units needed just for those at the 50% AMI range (\$57,750 per year for a family of four). Adding to this deficit is the lack of affordable housing being created, with only 15% of new homes being affordable to households at or below 80% AMI. While multiple public and private stakeholders are working to address this problem, there is not a funding source currently available in Utah to specifically address the need to maintain and create new manufactured homes.

Approach:

Funding received in response to this application will be used for two eligible activity categories to accomplish three basic goals. Under the Preservation and revitalization eligible activity category, funding will be used to provide rehabilitation of existing manufactured homes. The amount of funding provided to a homeowner and the specific items that will be rehabilitated will depend on the specific needs of the household. There is a wide range of possible needs that each home may need, and a plan will be created with each individual homeowner to best utilize the funds to help them make their home decent, safe, sanitary, and in good repair.

Also under the Preservation and Revitalization eligible activity category, funding will be used to provide MHC lot rent for households who qualify for rehab assistance and have a life event that limits their ability to pay lot rent. Often, a manufactured home is sitting on land not owned by the homeowner. This leaves residents vulnerable to a change in ownership or an increase in rent that forces the homeowner to relocate. If a mobile home has been sitting on the same lot for upwards of 50 years, moving the home is not an option and can lead to homelessness and eviction from the lot as well as the loss of the manufactured home altogether.

Third, under the Development or Improvement of Infrastructure to support MHC's and manufactured units' eligible activity category, funding will be provided to MHC's for large scale improvements and upgrades. Examples outlined in the NOFO that MHC's may apply for include installing public facilities and improvements such as roads, pads, sidewalks, curbs and gutters, parks, playgrounds water and sewer lines, wells, septic tanks, flood and drainage improvements, fire breaks, parking lots, and any other improvement that are allowable and needed.

Current funding processes such as the Lead Safe Salt Lake Program, Green and Healthy Homes Production and Weatherization, ESG, and CDBG, have identified the inability to assist households in manufactured homes built prior to 1976 as a major unmet need in the County. Utilizing these funds to assist households that do not otherwise qualify for rehabilitation funding will increase the number of affordable mobile and manufactured homes that are safe, sanitary, and can provide high quality shelter for decades to come. Additionally, the loss of affordable manufactured housing can be extremely difficult to replace due to the negative stigma attached to manufactured home community developments. Keeping these homes in good repair and in the

hands of their owners reduces the rate that manufactured homes are lost in the market. Due to the requirements of the NOFO regarding homes built before 1976, a waiver will be requested by Salt Lake County to enable this program to assist manufactured homes of that age.

The PRICE program provides an ideal solution to the needs of low income manufactured home residents. This program will provide the funding needed to both repair their homes to ensure they can maintain their ownership and tenancy, while also providing a pathway to ownership of the lots that manufactured homes are situated on. The third activity of providing infrastructure improvement will improve the perception of MHC's in the community and improve the quality of life for the households residing in the community. No residents will be displaced as a result of these activities. This program will coordinate closely with existing lead, weatherization, and rehabilitation programs already being implemented by Salt Lake County.

Current weatherization and rehab projects operated by Salt Lake County take on average 28 days to complete and it is expected that projects funded through this application will take a similar amount of time to complete. Key tasks that will be performed for the activities outlined are: application, assessment, coordination of bids for costs, management of projects, final project review, payment processing, and follow-up work with clients after assistance. As this is a multi-site proposal, staff will be able to process multiple applications across the county at the same time to ensure that the maximum number of clients are assisted.

As outlined in the included project budget, this project will be funded directly by the PRICE program. Households assisted by the program will also have an evaluation performed to consider additional programs that they may qualify for, such as the Green and Health Homes Initiative and the Lead abatements program that are both administered by Salt Lake County. Not all homes evaluated will qualify for all programs, and some may qualify for multiple grants.

Salt Lake County is requesting \$8,174,267 in PRICE funding to operate the project as outlined for the entire 6-year period.

Households that receive PRICE assistance for rehabilitation costs will be subject to the HUD HOME Investment Partnership affordability requirements as outlined in the NOFO. For rehab projects, this will be based upon the level of assistance provided. As outlined by HOME regulations:

Under \$15,000 of rehab work	5 Year Affordability Period
\$15,000 to \$40,000 of rehab work	10 Year Affordability Period
Over \$40,000 of rehab work	15 Year Affordability Period

Affordability will be enforced through a deed restriction on the property and/or a loan note with 0% interest and \$0 annual payment that will be forgivable after the period of affordability. Clients that receive assistance with lot rent will be required to maintain residency of condition of the home for the period of assistance. MHC's that receive assistance with infrastructure payments will be required to maintain lot rents at an affordable rent for 30 years. Affordable lot rent payments will be calculated at 30% of the income of a household at 80% AMI. As an example, if an 80% AMI household is calculated at \$2000 per month in income, lot rents will be restricted to \$600. If an MHC receives infrastructure funds and sells the property before the end of the affordability period or violates the affordable restrictions, the funded provided by PRICE will be repaid and used for other PRICE eligible purposes.

Salt Lake County is reviewing demographic data for all areas of the county. Based on available information, concentrations of manufactured homes are present in West Valley City, Taylorsville City, South Salt Lake City, Magna and Sandy City. Outreach efforts will be spread across the county to recruit eligible households to the program, with special attention given to these areas identified as higher need. Additionally, Salt Lake County will identify any disparities that may exist to ensure equal access for protected classes.

MHC's that receive payments from PRICE for payment of lot rent or who receive infrastructure improvement funds will be required to enact tenant protection policies. This will include a notice of rent increase policy of at least 90 days, notice to current residents of any plans to sell the facility of at least 12 months, and assistance from Salt Lake County to create a right to purchase process for the community if allowable by local zoning ordinance and law.

All rehab and infrastructure projects funded by PRICE will follow Section 3 and other applicable federal laws. Salt Lake County will require contractors performing rehab work in an MHC to advertise to residents any job opportunities that are a result of the PRICE rehab work taking place. Additionally, Salt Lake County will advertise any job opportunities to residents of other MHC's that have received PRICE funding. Households and MHC's that receive PRICE assistance will also be screened for eligibility of Green and Health Home Initiative and lead abatement.

Salt Lake County staff will perform outreach across Salt Lake County to ensure that eligible households are aware of this PRICE funded project and can access the assistance easily. This will include working with our local Continuum of Care to educate all community partners on the existence of the project. Additionally, over the course of the six-year project Salt Lake County staff will conduct outreach at all Manufactured Home Communities to ensure that both MHC owners and homeowners within the MHC are aware of the project and can apply with minimal barriers.

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Capacity of Salt Lake County to Administer the Program

Salt Lake County is Utah's most populated county, with approximately 1.1 million residents as of the 2020 census. This equates to around a third of the total population of the state. The county is also home to five of the ten largest cities in Utah. This has provided Salt Lake County with the experience and infrastructure to administer large federal grants. The PRICE program will be administered specifically by the Housing and Community Development division within Salt Lake County. The Director, Mike Akerlow, has over 15 years' experience working in government, specifically in relation to housing and the development of neighborhoods and affordable housing. Kevin Austin will be the manager overseeing the implementation of the program and will be responsible for ensuring that projects are completed timely and efficiently. Kevin has spent the last 13 years serving low-income individuals and households experiencing homelessness. He specifically has overseen the expenditure of over 40 different federal, state, and local housing and rehabilitation programs.

The Housing and Community Development Division is also the current grantee of federal weatherization, rehabilitation, and lead abatement funding. Through these programs, the County has served over a thousand households with these programs over the past five years. The County maintains a robust list of qualified contractors and partners that provide the expertise and ability to implement these programs.

Salt Lake County is also the recipient of federal development and housing grants, such as the Community Development Block Grant, Emergency Solutions Grant, and the HOME investment partnership. These entitlement grants have been administered by the County since the inception of those programs and represent 20% of all HUD entitlement funding received within the State of Utah. Salt Lake County does not have any open concerns or findings with HUD regarding these funds and has consistently expended all funding provided timely.

As the most populated county in the state, Salt Lake County has a wide range of partnerships that enable programs to connect with additional experts and resources. These partnerships range from local nonprofit organizations, other local government offices, state officials, and federal agencies.

Salt Lake County is familiar with all federal requirements related to this grant, such as Davis-Bacon Wage regulations, Environmental Reviews, Buy America Build America, Fair Housing and Nondiscrimination, and the Uniform Relation Act. Salt Lake County also maintains in-house legal counsel to provide support when a question of regulation comes up.

Matching and Leverage

Salt Lake County will provide administrative support to the staff and projects funded by the PRICE program. Additionally, homes and communities that receive assistance through the PRICE program will be screened for eligibility of Green and Health Home Initiative and Lead Abatement programs. Staff will also connect homeowners to other resources in the community, such as case management and credit counseling. No direct cash match is provided as part of this application.

Long-term Effect

MHC's that receive infrastructure improvements through the PRICE program will be subject to an affordability period that will maintain lot rents at an affordable rate. Additionally, providing lot rent payments for households that qualify will allow that household to maintain their affordable home or have the time to identify another MHC that will allow them to maintain affordable rents.

A home is the most expensive asset for the majority of households. Manufactured homes can be the only affordable option of homeownership for many low-income households. By providing rehabilitation and rental support to these homes, the value of the home will increase and provide increased net worth for the assisted households. This opens up many opportunities for the homeowner, like the ability to refinance the home or to obtain equity loan instruments such as a home equity line of credit. This increases the economic stability of the household and allows them to use their manufactured home as an asset rather than a liability. A well-maintained manufactured home can also be moved, something that MHC owners can often use against a homeowner to increase lot rent. When the owner of a manufactured home has the ability to shop around for cheaper lot rents, it can result in MHC owners competing against one another to provide a sustainable and reasonable lot rent.

This funding will also be used to improve the MHC's, which will create a healthy environment for households to live in. Providing improvements to the manufactured homes themselves and providing infrastructure improvements to the MHC will improve the perception of manufactured homes in the area. There is a stigma that manufactured homes are low quality and do not improve the communities in which they are located. Providing rehabilitation of the units and improvements to the MHC's themselves will reduce that stigma and make the manufactured homes a positive piece of the community. Making these improvements will also reduce the costs to the homeowner by performing the needed maintenance or improving the energy efficiency and condition of the home. This will increase the effective income of the household resulting in a more stable and desirable home.