



CITY COUNCIL STAFF REPORT



May 28, 2024

ITEM TITLE

Grant Application: Community Input for the FY2023 Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Application

Report Number: 24-0170

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines. The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines.

Recommended Action

Conduct the public hearing to provide the public an opportunity to review the application.

SUMMARY

The United States Department of Housing and Urban Development has issued a first-of-its-kind grant opportunity through the dedication of \$235 million in funding for the preservation and revitalization of manufactured housing and eligible manufactured housing communities, called the FY2023 Preservation and Reinvestment Initiative for Community Enhancement (“PRICE”) application. PRICE requires any jurisdiction applying for the program to publish their application for a fifteen-day public review period and hold a public hearing to receive community input.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA and NEPA. The activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because the proposal consists of reviewing a grant application, is not for a site-specific project(s) and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines. Thus, no further environmental review is necessary at this time.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Background

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.

Chula Vista contains 31 mobilehome parks comprising of more than 3,400 manufactured homes and trailers. All but one of these mobilehome parks are located on the City’s older west side, where the parks initially were built in the 1940s as temporary affordable housing for employees of war-time industry companies like Rohr Enterprises. Since the 1940s the parks have been maintained as a vital supply of affordable housing for an aging and diverse Chula Vista population, further recognized in the early 1980’s through City actions such as the adoption of Chula Vista Municipal Code Chapters 9.50 “Mobilehome Park Space Rent Review”, which established a form of rent control, and 9.60 “Housing Assistance”, to address park closures. As decades have passed, western Chula Vista’s poverty levels have increased and older buildings and structures have fallen into states of disrepair, including many of the mobilehome and trailer parks.

In addition to the needed revitalization of certain mobilehome parks within the City, the City committed to furthering fair housing and displacement of areas in the City identified by the U.S. Department of Housing and Urban Development (“HUD”) as racially/ethnically concentrated areas of poverty (“R/ECAP”). Specifically, census tract (“CT”) 125.01, located in western Chula Vista between F Street on the north, H Street on the south, Interstate 5 on the west, and Broadway on the east is identified as the sole R/ECAP in the [2021-2029 Housing Element](#) (Appendix E, section 3), contains six mobilehome/trailer parks and over 600 spaces representing 39% of the housing units within the CT. Several mobilehome parks within this area have outdated units that are no longer cost-effectively repairable, posing additional health and safety related risks to residents.

Since the 1970’s, the City has provided a rehabilitation program for both single-family residences and mobilehomes to address health and safety improvements, providing over \$8 million in low interest loans and forgivable grants to over 1,200 households. Funding specific to mobilehomes has typically been provided in

forgivable loans of \$10,000 or less to households with an area median income below 50% for improvements such as roof repairs, window replacement, ADA improvements (e.g. ramps, bathroom handles), and stairs. While the program has had great success over the years, funding has often been limited to a few hundred thousand dollars per year. As the aging housing stock within mobilehome parks has grown and units reach or exceed their useful life, additional opportunities have been contemplated such as a replacement program and/or more concerted effort related to revitalization.

PRICE Application

In winter 2024, HUD issued the [PRICE](#) 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. Congress has directed HUD to undertake a competition using the Community Development Block Grant (“CDBG”) statutory and regulatory framework for this first-of-its-kind initiative. PRICE supports communities in their efforts to maintain, protect, and stabilize manufactured housing and MHCs, under two programs, the Main and Replacement Pilot.

Staff have evaluated the PRICE guidelines and have determined that the City is eligible to apply and would be most competitive for the Main program. HUD applicants must publish their PRICE application (see Attachment 1) in its entirety for public comment for at least 15 days and conduct at least one public hearing. The public comment period must end no less than three calendar days before application submittal to allow the applicant time to consider and incorporate public comments. The current application deadline is June 10, 2024.

Although the City has existing programs to keep rent affordable and help mobilehome residents make health and safety repairs, many residents are unable to afford to preserve units on their own and it is clear that more resources are needed from the City to maintain the supply of affordable housing with manufactured homes and replace those units that have exceeded their useful life and cannot be rehabilitated. For this reason, if successful with its application, the City is proposing to use \$10,301,323 in PRICE funding for a three part program:

1. Expanding the City’s existing Mobilehome Community Housing Improvement Program (CHIP) by \$1,562,500;
2. Using \$5,738,773 to replace manufactured housing units built before 1976; and
3. Offering \$3,000,050 in forgivable loans to owners of mobilehome parks for infrastructure and facilities improvements.

This program would be administered by the City’s Department of Housing and Homeless Services in coordination with the City’s Development Services Code Enforcement division. The funding would be essential to the City’s efforts to preserve these mobilehome parks and allow their residents to continue to live healthy and affordable lives in a vibrant community.

Chula Vista’s PRICE application was [published](#) on Friday, May 17 for a fifteen-day public comment period ending on May 31. Any comments received at tonight’s public hearing or during the public comment period will be incorporated into the application.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of any mobilehome or trailer parks which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

None. Costs associated with the preparation of this grant application are covered in the Department of Housing and Homeless Services budget.

ONGOING FISCAL IMPACT

Should the City be successful in this application, staff will return to appropriate funds once awarded.

ATTACHMENTS

1. Draft PRICE Application for Public Review 5/17/24

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