Minnesota Housing Partnership

FY23/24 PRICE Action Plan

Action Plan Summary

Minnesota Housing Partnership (MHP) received $20,284,998.88 in federal grant funds from the U.S. Department of Housing and Urban Development (HUD) under the Fiscal Years 2023 and 2024 Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Program Main funding opportunity.

FY23/4 PRICE funding was authorized under the Consolidated Appropriations Act, 2023 (Public Law 117-328, approved December 29, 2022) with additional funding for PRICE Main provided by the Consolidated Appropriations Act, 2024 (Public Law 118-42, approved March 9, 2024).

FY23/24 PRICE requirements can be found in the PRICE Notice of Funding Opportunity (NOFO) (FR-6700-N-99, issued February 28, 2024).

• Summary of Needs

MHP was awarded funding under the ***PRICE Main*** competition.

MHP's proposed PRICE activities will support and preserve manufactured housing in key communities in ***Minnesota, North Dakota, South Dakota,*** and ***Wisconsin***. There is a shortage of hundreds of thousands of low-income housing units in these states, and manufactured housing is an important homeownership option for low- and moderate-income (LMI) households in the region. ***Preservation*** of existing manufactured housing in the region is thus a key need to maintain availability and affordability for LMI households. The proposed four-state PRICE activity region is also subject to common and significant environmental hazards and disaster risks, including extreme winter weather and frequent storm damage, requiring ***improvements to mitigate risks.***

Specific preservation and mitigation needs include ***rehabilitation*** of (post-1976) manufactured housing prevalent in Native Nations, ***improvement of infrastructure*** in existing MH communities, and removal of MHCs from speculative and profit-driven ownership through ***acquisition of MHCs by residents*** to create Resident-owned communities (ROCs).

Communities to be targeted by MHP's proposed PRICE activities (Native Nations and Resident-Owned MH Communities) include ***22 communities meeting Distress Criteria***, which will be prioritized in project selection.

• Summary of Use of Funds

To address the needs identified above, MHP proposes to use PRICE funds for the DREAM Initiative, which will preserve at least 440 affordable housing units in ROCs and Native Nations, and create infrastructure for 30 new affordable manufactured homes. This will ensure long-term

availability and affordability of manufactured housing in the four targeted states, while helping to mitigate and guard against risk of natural disasters and environmental hazards.

To accomplish these goals, MHP will advance three activities under the DREAM Initiative:

- *DREAM Infrastructure*: Existing Resident-Controlled Manufactured Housing Communities (a.k.a. Resident-Owned Communities or ROCs) in Minnesota and Wisconsin are eligible for infrastructure funding administered by MHP to repair, replace, or create essential infrastructure. One community will also be selected for an innovative project to create a new manufactured housing community with municipal infrastructure and ROC land ownership.
- *DREAM Acquisition*: Manufactured home communities (MHCs) in Minnesota and Wisconsin are eligible for acquisition funding administered by MHP, to create new ROCs.
- *DREAM Tribal Rehabilitation*: Native Nations are eligible for selection as project locations where MHP will select and distribute owner-occupied manufactured home rehab funds, or funds to rehab manufactured housing owned by the Native Nation as rental housing, to improve the livability, sustainability, and resilience of manufactured homes for low-to-moderate income residents.

• Entities that will administer the program

Minnesota Housing Partnership (MHP) is a 501(c)3 nonprofit organization that provides affordable housing and community development assistance and programs across the United States, primarily in rural communities and Native Nations.

MHP is the administrator of the FY23-24 PRICE grant and will lead planning and implementation of projects to be funded under the grant. This includes selection of specific PRICE activity geographies and project locations, procurement of subcontractors to provide local project management, project and construction management for funded activities, and grant administration including compliance and reporting.

MHP point of contact for PRICE activities is: Leah Hall, MHP Community Development Director, leah.hall@mhponline.org, 218-410-0122

Additional project management under the PRICE program will be provided by:

- Northcountry Cooperative Foundation (NCF). NCF serves as a *subcontractor, and was selected through MHP's federally-compliant procurement process and included in the funded PRICE application.* NCF has extensive experience with manufactured housing preservation and development, including over $20M in infrastructure projects in the last five years, and sixteen MHC acquisition deals to establish new Resident Owned Communities in Minnesota and Wisconsin.
  NCF point of contact:

Resources and Budget

MHP PRICE budget includes **$20,284,998.88** ***awarded by HUD*** under the 2023-2024 ***PRICE Main*** competition. Funding will support three program activities under the proposed DREAM Initiative, which will involve an estimated ***total budget of*** **$26,470,199** including **$50,800** ***in committed leverage funds*** from contract partner NCF, as well as **$6,134,400** ***in estimated future project financing***. Budget details are provided in attached HUD Forms 424-CBW Grant Application Detailed Budget Worksheets.

For all activities detailed below, all MHP staff wages and contractor loaded rates include estimated annual increases over current actual rates, to produce six-year *average wage rates* that most accurately reflect total proposed labor hours over six years.

For project budget descriptions, project management support from MHP and contractors will support DREAM Initiative and PRICE program priorities related to long-term availability and affordability and mitigation of hazard risks, and HUD national objective of benefiting LMI persons, by ensuring timely, cost-efficient, and equitable project expenditure, and compliance with all PRICE, cross-cutting, and OMB requirements.

- ***DREAM Infrastructure:*** Budget of **$8,577,218** is entirely PRICE funds awarded by HUD. This budget includes project management from MHP and (*total estimated labor of 374 hours, including federally-approved fringe and indirect costs)* and from committed contractor NCF (*total labor contract of $390,000, based on actual loaded rates including 15% de minimis indirect allowed under the PRICE NOFO).* Project expenses including construction costs are detailed in the 424-CBW budget form. Assumptions involve *approx. 4 infrastructure rehab/replacement projects* in resident-owned communities (ROCs) in Minnesota and Wisconsin, as well as *one innovative new construction project* where infrastructure will be municipally owned by a local government/HRA. A HUD compliant RFP process will be followed to select Infrastructure project locations during the grant period, until all funds are allocated and expended during the grant period.
- ***DREAM Acquisition:*** Budget of **$10,046,828** includes ***$3,861,628*** in PRICE funds awarded by HUD, ***$50,800*** in committed leverage funds from contract partner NCF, and ***$6,134,400*** in estimated future project financing. This budget includes project management from MHP and (*total estimated labor of 85 hours, including fringe and indirect costs)* and from committed contractor NCF (*total labor contract of $171,000).* Project expenses are detailed in the 424-CBW budget form. Assumptions involve *approx. 1-2* land acquisition projects for the purpose of creating resident-owned communities (ROCs) in Minnesota and Wisconsin. A HUD compliant RFP process will be followed to select Infrastructure project locations during the grant period, until all funds are allocated and expended during the grant period.
- ***DREAM Tribal Rehabilitation:*** Budget of **$5,817,653** is entirely PRICE funds awarded by HUD. This budget includes project management from MHP (*total estimated labor of*

5574 hours, including fringe and indirect costs) and from a local project management contractor selected via MHP's federally-compliant RFQ procurement process for each RFP-selected project geography (approx. $320,000 per local contract, based on estimated actual loaded rates). Travel is also budgeted for MHP project management, estimated based on two staff trips to each geographic location selected for rehab project availability (total travel costs of $9,051). Project expenses including construction costs are detailed in the 424-CBW budget form. Assumptions involve *approx. 76* rehab projects across *four (4) Native Nations* in Minnesota, North Dakota, South Dakota, or Wisconsin that will be selected by MHP as eligible project geographies. An additional $15,000 in expenses are budgeted for approx. 30 projects anticipated to require temporary relocation of residents during construction.

- ***Administration and Technical Assistance:*** Budget of **$2,028,500** is entirely labor from MHP (*an estimated 17,112 hours, including fringe and indirect costs).* MHP is not proposing to use contractors for administration. This budget represents **10%** of PRICE grant awarded to MHP, within the limit established for the PRICE program.

• How determined the budget was determined and will ensure the proposed projects will be cost-effective, in line with industry standards, and appropriate for the scope of the project.

The PRICE budget for each grant activity was determined based on estimates of average costs to improve infrastructure of manufactured communities, acquire manufactured communities and rehabilitate manufactured housing. Staff and subcontractor time for project management was determined based on a projected calculation of staff resources needed for each project activity, as well as an average cost to contract with local project managers for the manufactured housing rehabilitation work, in partnership with Native Nations.

MHP and NCF will ensure that the project(s) are cost effective, in line with industry standards and appropriate for the scope of the project by leveraging both in-house expertise and past project costs/experience and ensure that activities are cost-reasonable via federal procurement procedures. MHP will also ensure that financial transactions and procurement processes documentation is comprehensive.

• How 100 percent of PRICE funds will be spent before the end of the period of performance.

MHP has well-established grant management processes, extensive federal grant management experience, and existing working relationships with HUD staff allow us to provide activities efficiently and cost effectively, and to ensure that work output is completed on time and within budget. MHP has successfully completed more than 500 separate and concurrent activities, most of which have occurred in our proposed 4-state DREAM service area, under more than 30 HUD

grants and cooperative agreements, with dozens of contractors and sub-grantees. MHP fully understands HUD procedures and program priorities including OMB requirements, and other relevant federal, state, and local requirements.

MHP has been demonstrated through close-out of past HUD grants on time while meeting or exceeding objectives, including provision of non-federal leverage funds. MHP's HUD grant administration process and compliance with OMB requirements has also been monitored by HUD in 2019 with no substantial findings.

As demonstrated in the Key Tasks and Timelines for PIRCE activities detailed below, MHP's project plan involves allocating PRICE funds for specific projects within the first two years of performance. Further, our plan involves completing all proposed program tasks at least six months prior to the end of the period of performance, allowing for additional contingency time in case tasks take longer than planned. This plan will ensure ample time to complete all activities within the period of performance.

Need

MHP was awarded funding under the **PRICE Main** competition.

Geographic Scope of Proposed Projects and Need for Affordable Housing in that Area:

MHP's proposed DREAM Initiative activities will support and preserve manufactured housing in key communities in Minnesota, North Dakota, South Dakota, and Wisconsin. National Low Income Housing Coalition (NLIHC) identifies a shortage of hundreds of thousands of low-income housing units in these states, and manufactured housing is an important homeownership option for low- and moderate-income (LMI) households in the region.

This is particularly true for Native Nations in the four state region. There are 31 rural Native Nations across the region, home to a significant portion of the four states' large American Indian population. These Native Nations have high concentrations of manufactured housing (MH), and experience rampant overcrowding, acute poverty, and income challenges. 8% of housing units are overcrowded, nearly three times the national average of 3%. 30 of 31 Native Nations have poverty rates above the U.S. rate, with an average of 28% – more than double the national rate. The average household median income in these Native Nations is $51,475, less than 70% of the national median, and only $44,299 for American Indian households.

These challenges demonstrate the need for proposed DREAM Tribal Rehabilitation activities, to preserve the long-term availability and affordability of the manufactured housing common in tribal communities in the four-state region, to avoid further exacerbating these critical housing quality and affordability issues through loss of housing.

Proposed DREAM Infrastructure and Acquisition activities will preserve manufactured housing in Minnesota and Wisconsin. Existing manufactured housing communities (MHCs) in these two

states are predominantly low-income, with two-thirds of MHC residents (67%) in MN/WI who rent or cooperatively own their lots having incomes below 50% AMI, and approx. one-third (32%) have incomes at or below 30% of AMI. For households at these income levels, the NLIHC estimates that there are only 34 units of affordable housing available per 100 households in those states, meaning there is a shortage of over 350,000 housing units affordable to households under 50% AMI.

DREAM Initiative subcontractor NCF has conducted surveys estimating that there is an average of $22,000 per lot in deferred maintenance and infrastructure needs for all MHCs in the target region, totaling over $2 billion across the two states. Limited availability of affordable housing and manufactured housing rehab needs demonstrate the need for preservation of manufactured housing already serving low-income residents in Minnesota and Wisconsin.

The approach for DREAM Infrastructure and Acquisition project for non-tribal MHCs focuses on supporting Resident-Controlled Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs). This strategic focus facilitates long-term preservation of affordable MH by investing in MHCs that have been removed from the speculative market, with control transferred to well-informed residents who operate in their own best interest. Resident ownership of MHCs also facilitates resident protections and long-term affordability of manufactured housing through community bylaws.

The four-state DREAM Initiative region is also subject to common and significant environmental hazards and disaster risks, including extreme winter weather and frequent storm damage. The manufactured housing units and MHCs in the region are particularly prone to these common regional hazards, more so than other types of housing in the region. This indicates need for infrastructure improvements for manufactured housing communities, and for rehab of manufactured housing in Native Nations including housing weatherization and site infrastructure.

Communities Meeting Distress Criteria within Geographic Project Area:

The proposed target communities that would be eligible for DREAM Initiative project funding, including Resident-Controlled Manufactured Home Communities (aka resident owned communities, or ROCs) in Minnesota and Wisconsin, and Native Nations in South Dakota, North Dakota, Minnesota, and Wisconsin, include 34 communities meeting distress criteria as defined for the PRICE NOFO. As MHP evaluates and selects project locations for the three proposed PRICE activities, projects serving a community meeting distress criteria will be factored into selection criteria.

Barriers to Manufactured Housing Preservation and Revitalization in the Target Area:

A number of barriers exist for manufactured home owners in the targeted communities as they consider cooperative lot acquisition, infrastructure improvements, or manufactured housing rehabilitation.

Access to financing is a common barrier in both Native Nations and ROCs; these target communities often require higher loan to value ratios than traditional lenders will offer, in part because land is frequently owned separately from the manufactured homes (e.g. cooperative ROC ownership, or tribal trust land) making it difficult to secure the financing needed to successfully implement large projects. Financing barriers thus require project gap funding to keep infrastructure, land acquisition, or rehab activities affordable to LMI residents.

Many ROCs and Native Nations also lack capacity to secure the gap subsidies needed to implement projects affordably, even when project financing can be obtained. To address these barriers, MHP's proposed PRICE project approach will centralize project funding administration and compliance reporting for the target communities, selecting locations for PRICE projects via a streamlined RFP process while providing application TA and expert project management assistance.

Organizing residents is also a frequent barrier to creation of new resident-owned communities through cooperative acquisition of manufactured housing communities. MHP application partner NCF has successfully organized residents in ROCs across their service area to facilitate acquisition of their communities, demonstrating the importance of NCF's participation in PRICE project management to minimize project barriers under proposed activities serving ROCs.

Use of Funds – Soundness of Approach

Overall Vision and Goals of the Project:

Manufactured housing is a critical source of low-income homeownership opportunities in our proposed service communities. Our goals and proposed activities are strongly aligned with and will advance the PRICE national objective of benefiting LMI persons.

Proposed activities will preserve at least 440 affordable housing units in ROCs and Native Nations, and create infrastructure for 30 new affordable manufactured homes. This will ensure long-term availability and affordability of manufactured housing, while helping to mitigate and guard against risk of natural disasters and environmental hazards.

Our vision for accomplishing the goals of the DREAM Initiative focuses on:

1) Supporting local project capacity within Native Nations while assisting LMI manufactured home owners or renters with rehabilitation and infrastructure improvements for existing MH; and

2) Supporting and developing Resident-Controlled Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs). This strategic focus preserves affordable MH by removing MHCs from the speculative market and transferring control to residents.

• Overview of the Use of Funds—Eligible Activities to be Undertaken:

Project 1: Administration

- **Responsible entity:** MHP
- **Location:** MHP's home office is 2446 University Ave, Suite 106, Saint Paul MN 55114. Staff at MHP have transitioned to remote working with access to individual and group working space at the main office. Administration is done entirely online.
- **Description:** MHP will use PRICE funds to administer DREAM Initiative manufactured housing activities. This program provides housing and infrastructure project funding and project management support from MHP staff and subcontractors. The project design for funding distribution includes a project selection process based on objective criteria. Potential recipients may apply for project funding by submitting an application on MHP's web site. All applications are then reviewed and scored on a predefined weighted matrix by an MHP staff person for eligibility compliance, project readiness, unmet housing needs, etc. Once evaluated, those entities meeting key parameters will be notified of acceptance as project funding recipients and the next steps in moving forward with the work.
- **Activities:** Administration activities will include mandatory reporting and recordkeeping costs associated with HUD activity.
    - Specifically, it will involve tracking and recording time and expenses, creating activity narratives, and responding to any other grant officer requests as they arise.
    - Subcontractors will be monitored remotely as needed through monthly invoices and activity narrative reporting.
- **Budget**: $2,028,500
- **Budget Narrative**: Administration funds will cover mandatory reporting and recordkeeping costs associated with HUD activity. Administration will be funded entirely with HUD PRICE grant funds. Budget represents 10% of PRICE grant awarded to MHP, within the limit established for the PRICE program.
    - Specifically, it will cover time spent tracking and recording time and expenses, creating activity narratives, and responding to any other grant officer requests as they arise.
    - Administration will cover time spent on design and implementation of selection processes to determine project locations for the following three program activities, including technical assistance to Manufactured Housing Communities and Native Nations to help them successfully apply for project selection, as well as procurement of contractors for project management activities (these activities are included in Activity descriptions below).
    - Contractors will be monitored remotely as needed through monthly invoices and activity narrative reporting.

Project 2: Infrastructure

- **Responsible entity:** MHP

- **Location:** Proposed project activities will serve LMI residents in current or new Resident-Controlled Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs) in Minnesota or Wisconsin.
    - Selected communities will demonstrate need for development or improvement of infrastructure to support MHCs and manufactured units.

- **Description:** MHP and its contractors will assist Resident-Controlled Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs) in Minnesota or Wisconsin with community infrastructure improvement projects benefiting LMI residents. New or improved infrastructure will preserve long-term availability of affordable MH for the LMI residents, and mitigate against risk of natural hazards, extreme weather, or disaster events.

- **<u>Activities</u>**

1. ***Project selection and evaluation*** - MHP will request and evaluate infrastructure project applications describing how potential funding recipients meet MHP's selection requirements and demonstrate unmet housing affordability or hazard mitigation needs. Applications will be reviewed in 1-3 RFP phases, as needed, dependent on initial interest and allocation of available funds. The initial RFP offering occurs within 3 months of the start of the PRICE performance period. Once all funds are allocated and projected to be expended during the grant period, the RFP process will close. In addition to application materials, the MHP staff evaluation of need will involve:

    - Additional communications with beneficiary
    - Consultation with contractors
    - Review of available documentation such as comprehensive plans, pro-formas, previous grant applications, existing processes and procedures, etc.
    - Virtual and/or in person site visit to beneficiary's office location and surrounding communities, as local public health restrictions allow.

   MHP will approve project recipients based on meeting of criteria and demonstrating highest likelihood of significant project success in long-term affordability .

2. ***Project Management*** - MHP and its contractors will apply specific processes and principles to initiate, plan, execute and manage each infrastructure project. This may include such tasks as work plan, budget and MOU development/approval; procurement for services and good; contract management/compliance with Davis Bacon as needed and other cross cutting HUD requirements; construction draw/payment approvals; logistics

planning; semi-annual reporting for HUD; close-out reporting for HUD; program/project evaluation; monitoring and tracking of outputs and outcomes; change management; other processes/procedures necessary to ensure each project meets identified community needs and provides deliverables within a clearly defined timeline and budget.

3. ***Construction management***

    - Resident notices
    - Income eligibility surveying / confirmation
    - Permitting
    - Development of scopes of work for each selected project
    - Project construction bid management and approvals
    - Project-level Davis Bacon compliance/other cross cutting HUD requirements
    - Draw assembly (post Construction Inspection/progress approval)
    - Inspection and contractor compliance technical assistance
    - Progress reporting to MHP Project Management/Admin and coordination of on-site monitoring during the grant period.

- **Budget**: $8,584,035
- **Budget Narrative**: Budget total will support ***approx. 5*** infrastructure repair and construction projects benefiting resident-owned communities (ROCs) in Minnesota and Wisconsin, with project locations to be selected via federally-compliant RFP.
    - All activity costs will be covered by federal funds from the HUD PRICE grant.
    - Project assumptions involve ***approx. 4 projects*** for existing ROCs, as well as ***one innovative new construction project*** where infrastructure will be municipally-owned by a local government/HRA.
    - A maximum of $4 million in PRICE funds will be available per project.

    Actual project locations will be determined through a federally-compliant RFP, with detailed pro forma budgets following,

    MHP will administer project funds, with project management support budgeted for staff from MHP and from committed contractor Northcountry Cooperative Foundation (NCF).

<u>Project 3: DREAM Acquisition</u>

- **Responsible entity:** MHP
- **Location:** Proposed project activities will serve LMI residents renting homesites who wish to acquire land to create Resident-Controlled Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs) in Minnesota or Wisconsin.

Selected communities will demonstrate need for resident control of MHCs to ensure long-term affordability and availability of manufactured housing units.

- **Description:** MHP and its contractors will assist residents of Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs) in Minnesota or Wisconsin with acquisition benefiting LMI residents. Activity will result in residents forming Resident-Controlled Manufactured Housing Communities (hereafter Resident-Owned Communities, or ROCs) to purchase and own acquired land as a cooperative. ROC formation and land ownership will facility long-term affordability and availability of MH for LMI residents.

  The project design for funding distribution includes a project selection process based on objective criteria. Potential recipients may apply for project funding by submitting an application on MHP's web site.

  All applications are then reviewed and scored on a predefined weighted matrix by an MHP staff person for eligibility compliance, project readiness, unmet housing needs, etc.

  Once evaluated, those entities meeting key parameters will be notified of acceptance as project funding recipients and the next steps in moving forward with the work.

- **Activities**

  1. ***Project selection and evaluation*** - MHP will request and evaluate acquisition project applications describing how potential funding recipients meet MHP's selection requirements and demonstrate unmet housing affordability or hazard mitigation needs. Applications will be reviewed on a rolling basis until all HUD PRICE funds are allocated and projected to be expended during the grant period. In addition to application materials, the MHP staff evaluation of need will involve:

     - Additional communications with selected project locations.
     - Consultation with contractors
     - Review of available documentation such as comprehensive plans, pro-formas, previous grant applications, existing processes and procedures, etc.
     - Virtual and/or in person site visit to beneficiary's office location and surrounding communities, as local public health restrictions allow.

     MHP will approve project recipients based on meeting of criteria and demonstrating highest likelihood of significant project success in long-term affordability.

  2. ***Project Management*** - MHP and its contractors will apply specific processes and principles to initiate, plan, execute and manage each acquisition project. This may include such tasks as work plan, budget and MOU development/approval; contract management; environmental review; logistics planning; support for transition to resident-owned communities; semi-annual reporting for HUD; close-out reporting for

HUD; program/project evaluation; monitoring and tracking of outputs and outcomes; change management; other processes/procedures necessary to ensure each project meets identified community needs and provides deliverables within a clearly defined timeline and budget.

- **Budget**: **$10,046,828,** including ***$3,861,628*** in federal funds from PRICE grant, ***$50,800*** in applicant leverage funds, and ***$6,134,400*** in funds from other sources.
- **Budget Narrative**: Budget total will support ***approx. 1-2*** land acquisition projects for the purpose of creating resident-owned communities (ROCs) in Minnesota and Wisconsin, with project locations to be selected via federally-compliant process.
    - MHP will administer project funds, with project management support budgeted for staff from MHP and from committed contractor Northcountry Cooperative Foundation (NCF).
    - Federal funds will contribute to project management personnel, fringe, indirect, and contract costs, and land acquisition costs.
    - Applicant leverage funds will contribute to architectural and engineering fees.
    - Administrative and legal fees, additional land acquisition costs and appraisals, and additional architectural and engineering fees, and contingencies will be covered by other sources of income.

Project 4: Tribal Rehab

- **Responsible entity:** MHP
- **Location:** Proposed project activities will serve LMI residents in ***approx. 4*** Native American Tribal communities in Minnesota, North Dakota, South Dakota, or Wisconsin. Selected communities will demonstrate need for repair or rehabilitation of existing manufactured housing units (post-1976) and potentially need for improvement of infrastructure to support manufactured units serving MLI residents.
- **Description:** MHP and its contractors will assist LMI residents or tribal governments/TDHEs in selected tribal communities in Minnesota, North Dakota, South Dakota, or Wisconsin with repair or rehabilitation of existing manufactured housing units (post-1976) and/or improvement of infrastructure to support manufactured units.

  Rehabilitated manufactured housing and/or improved infrastructure will preserve long-term availability of affordable MH for the LMI residents, and mitigate against risk of natural hazards, extreme weather, or disaster events.
- **Activities**

1. ***Selection and evaluation of project locations*** – MHP will request and evaluate Tribal Rehab project site applications, describing unmet community need for manufactured housing rehabilitation in an eligible rural American Indian Tribal community within Minnesota, North Dakota, South Dakota, or Wisconsin.

   Applications will describe manufactured housing rehabilitation and infrastructure improvement needs for LMI residents of the tribal community, and indicate availability and capacity of one or more local project management entities available to respond to MHP's federally-compliant contract procurement process. Applications will be reviewed in 1-2 RFP phases, as needed, dependent on initial interest and allocation of available funds. The initial RFP offering occurs within 3 months of the start of the PRICE performance period. Once all funds are allocated and projected to be expended during the grant period, the RFP process will close. In addition to application materials, the MHP staff evaluation of need will involve:

   - Additional communications with recipients
   - Consultation with contractors
   - Review of available documentation such as comprehensive plans, pro-formas, previous grant applications, existing processes and procedures, etc.
   - Virtual and/or in person site visit to beneficiary's office location and surrounding communities, as local public health restrictions allow.

   MHP will approve project locations based on meeting of criteria and demonstrating the highest likelihood of significant project success in long-term affordability.

2. ***Selection of local project management contractors*** – MHP will request and evaluate bids for local project management contracts to serve each selected Tribal community. MHP will use a federally-compliant procurement process for contract selection.

3. ***Creation of local project selection criteria*** – MHP will coordinate with Native American Tribal governments, Tribally-Designated Housing Entities (TDHEs), and/or selected local project management contractors to refine selection criteria and evaluation processes for each previously-selected Tribal Rehab project geography.

   - MHP will ensure that local selection processes will follow all relevant HUD, CFR, and cross-cutting federal requirements, and facilitate cost efficiency and effectiveness of all funded rehabilitation/infrastructure projects.

   - Each selection process will be refined to effectively and efficiently operate within local tribal rules and regulations including specific land ownership circumstances, permitting and inspection requirements, and available/tribally-preferred affordability compliance mechanisms.

4. ***Project selection and evaluation*** - MHP and its contractors will request and evaluate project applications for rehabilitation and infrastructure improvement of manufactured housing owned by eligible LMI residents, or manufactured housing owned by Tribal governments/TDHEs and provided to LMI residents as rental housing.

   Applications will describe how potential funding recipients meet MHP's selection requirements and demonstrate unmet housing condition or hazard mitigation needs to ensure long-term availability and affordability. Applications will be reviewed in multiple RFP phases, as needed. In addition to application materials, the MHP staff evaluation of need will involve:

   - Additional communications with recipients
   - Consultation with contractors
   - Review of available documentation such as comprehensive plans, pro-formas, previous grant applications, existing processes and procedures, etc.
   - Virtual and/or in person site visit to beneficiary's office location and surrounding communities, as local public health restrictions allow.

   MHP will approve project recipients based on meeting of criteria and demonstrating the highest likelihood of significant project success in long-term affordability.

5. ***Project Management*** - MHP and its contractors will apply specific processes and principles to initiate, plan, execute and manage each rehabilitation/infrastructure project. This may include such tasks as work plan, budget and MOU development/approval; procurement for services and good; contract management/compliance with Davis Bacon as needed and other cross cutting HUD requirements; construction draw/payment approvals; environmental review; logistics planning; semi-annual reporting for HUD; close-out reporting for HUD; program/project evaluation; monitoring and tracking of outputs and outcomes; change management; other processes/procedures necessary to ensure each project meets identified community needs and provides deliverables within a clearly defined timeline and budget.

6. ***Construction management***

   - Resident notices
   - Income eligibility surveying / confirmation
   - Permitting
   - Development of scopes of work for each selected project
   - Project construction bid management and approvals
   - Project-level Davis Bacon compliance/other cross cutting HUD requirements

- Draw assembly (post Construction Inspection/progress approval)
- Inspection and contractor compliance technical assistance
- Progress reporting to MHP Project Management/Admin and coordination of on-site monitoring during the grant period.

- **Budget**: $5,817,653
- **Budget Narrative**: Budget total will support ***approx. 75*** manufactured housing repair or rehabilitation projects benefiting LMI residents in ***4*** selected American Indian Tribal communities in Minnesota, North Dakota, South Dakota, or Wisconsin.
  - All activity costs will be covered by federal funds from the HUD PRICE grant.
  - Eligible tribal communities and specific project locations will be selected via federally-compliant RFP. MHP will administer project funds, with project management support budgeted for staff from MHP and from a selected project management contractor for each selected project location.
  - Project assumptions involve ***approx. 75 projects*** (*approx. 19 rehab projects in each of 4 selected geographies*) with a maximum of $75,000 in PRICE funds available per rehab project, and a maximum of $1.5M in PRICE funds available per selected project geography.
  - An additional $15,000 in expenses are budgeted for approx. 30 projects anticipated to require temporary relocation of residents during construction. Individual project recipients will be determined by MHP and local contractor through a federally-compliant application process, with project pro forma budgets following,

Project selection RFP processes are based on objective criteria, and allow MHP to evaluate unmet need addressed by the project, as well as project feasibility.

MHP also has established management and quality-control processes for all HUD-funded projects. These processes will ensure that the proposed projects follows all HUD rules and regulations, assist eligible recipients and communities, and result in outcomes advancing overall goals for MHP's PRICE-funded DREAM Initiative program.

Key Tasks and Timeline for Implementation

Activity 1: Administration – *Tasks and timelines are incorporated into project activities detailed below.*

Activity 2: DREAM Infrastructure

Task	Sub-Tasks & Milestones	Planned Start Date	Planned Completion Date

RFP 1 Released & Reviewed	Issue RFP, review proposals	10/01/2025	12/31/2025
Project Scoping, Budgeting, & Selection (RFP 1)	Conduct assessments, develop scope and budgets; select projects	01/01/2026	06/30/2026
Construction Procurement & Setup (RFP 1)	Bid solicitation, contractor selection, mobilization	04/01/2026	06/30/2026
Construction Activities Begin (RFP 1)	Begin infrastructure repair and replacement	07/01/2026	12/31/2027
Monitoring, Compliance, Project Closeout	Closeout reports, compliance documentation	01/01/2028	06/30/2028

Activity 3: DREAM Acquisition

Task	**Sub-Tasks & Milestones**	**Planned Start Date**	**Planned Completion Date**
Project Selection Process Released for Acquisitions	Draft and release selection criteria	10/01/2025	12/31/2025
Funding Request Review, Due Diligence & Selection	Proposal review, property inspections, negotiations	01/01/2026	06/30/2026
Project Scoping & Budgeting	Budget development, acquisition contracts	03/01/2026	12/31/2026
Acquisition & Resident Transition Support	Execute acquisition, provide resident supports	07/01/2027	12/31/2027
Cooperative Ownership Transfers	Legal transfers, training for resident management	01/01/2028	06/30/2028
Monitoring, Compliance, Closeout	Compliance reviews, documentation	01/01/2028	06/30/2028

Activity 4: DREAM Tribal Rehabilitation

Task	**Sub-Tasks & Milestones**	**Planned Start Date**	**Planned Completion Date**

RFP Released for 4 Native Nations Project Locations	Draft RFP, issue notice, distribute to networks	10/01/2025	12/31/2025
RFP Review and Project Selection	Review proposals, scoring, selection notifications	01/01/2026	03/31/2026
Program Design and Award Finalization per Nation	Finalize rehab program design and project management contractor for each location	04/01/2026	06/30/2026
Property Identification and Selection	Applications for rehab assistance solicited and reviewed, confirm eligibility of homeowner and property, rehab sites selected, scopes of work completed	04/01/2026	09/30/2026
Contractor Procurement and Selection per Site	Bids solicited, contractor(s) and cost estimates confirmed per site, rehab timeline developed	04/01/2026	06/30/2026
Rehab Activities Begin	Rehab project kickoff, construction phase starts, all construction activities completed by 12/31/2027	07/01/2026	12/31/2027
Rehab Funds Deployment (Rolling Basis)	Project management contractors request reimbursement from MHP, MHP requests reimbursement from HUD as needed?	07/01/2026	12/31/2027
Oversight, Monitoring & Compliance	Site visits, reports, compliance checks	01/01/2028	06/30/2028
Project Closeout	Final reports, financial closeout, community review	01/01/2028	06/30/2028

O High-level expected performance outcomes and impacts of proposed activities

Overall performance outcomes for the proposed activities include preservation of at least 440 affordable housing units in ROCs and Native Nations, and creation of infrastructure for 30 new affordable manufactured homes. This includes the following anticipated outcomes for each proposed activity:

- **DREAM Infrastructure**:
    - 115 manufactured housing unit sites/stalls preserved for long-term affordability via resident purchase and conversation to collective resident ownership.
    - 1-3 acquisition project locations within Minnesota or Wisconsin.
- **DREAM Acquisition**:
    - 250 manufactured housing units preserved and risks of environmental hazards and disaster events mitigated, via infrastructure improvements in Resident-Owned MH communities (ROCs).
    - 4 project locations within Minnesota or Wisconsin.
    - 30 new MH sites/stalls created via development of new infrastructure in newly created ROC in Minnesota or Wisconsin where residents site privately purchased MH units.
- **DREAM Tribal Rehabilitation**:
    - 75 MH units preserved for long-term availability and affordability, and mitigating risks of environmental hazards and disaster events, via rehab of MH in pre-selected Native Nations (owner-occupied or rental units owned by Native Nations/TDHEs) in

• Tenant Protections in Place for the Residents of Communities:

MHP's approach for the PRICE activities is rooted in ensuring protections for manufactured housing owners and renters by focusing on resident-owned communities (ROCs) and Native Nations, which are structured specifically to protect the interests of their residents.

All known ROCs in the Minnesota/Wisconsin service area are governed democratically, meaning that residents not only have notices of rent increases, but they also have to vote to pass increases by a majority vote. Additionally, all ROCs (including new ROCs created through resident acquisition of communities/lots) will be expected to have bylaws in place that further protects residents. ROC residents are also allowed to sublease (provided the sublessee can pass the community's background check). Similarly, all ROC residents are notified of a planned sale or closure of a community, which would also need to be passed by a majority vote of all resident members.

For DREAM Tribal Rehab projects in which MH owners either lease tribal trust land where the MH is located, or rent a MH unit owned by the tribal government, MHP will also structure PRICE project contracts to ensure that residents are protected, including notice of rent increases, renewable lease structures, right to purchase/sell MH, and right to sublease.

• Access to Resources and Financing:

PRICE investment for ROCs in Minnesota/Wisconsin will not only directly deliver much-needed resources into LMI communities, it will also attract myriad other resources, such as innovative financing and resident empowerment—which in turn attract local governmental and philanthropic resources. NCF has developed relationships with key lenders throughout the region who will lend on favorable terms, and also plans to leverage the Preservation Loan product from its subsidiary loan fund on DREAM Acquisition projects.

Native Nations have access to unique financing products for underserved residents of tribal reservations, such as HUD's Section 184 loan guarantee program, and MHP is experienced in connecting Native Nations and residents of tribal lands with eligible and willing lenders for these programs.

For DREAM Tribal Rehab activities, MHP will collaborate with four (4) Native Nations across North Dakota, South Dakota, Minnesota, and Wisconsin to deliver rehabilitation to manufactured homes within each of the 4 selected Native Nations. MHP and selected local project management subcontractors will develop a contractor/business selection procedure that will prioritize Native-owned/Native-managed businesses, as well as employment and training programs that enhance the Native workforce. Some examples of employment and training programs may include construction apprenticeship programs, Tribal Community College construction programs/internships, Native YouthBuild or similar programs.

For DREAM Infrastructure activities, the ROC model prioritizes hiring, contracting, and providing economic opportunities to residents of ROCs, 93% of whom are LMI, and for LMI individuals from the surrounding communities. NCF's project approach prioritizes hiring community members for a variety of project roles.

• How the Planned Activities will Address Threat of Natural Hazards, Extreme Weather, and Disaster Events:

Proposed DREAM Infrastructure and Tribal Rehab activities are focused directly on addressing the threat of natural hazards, extreme weather, and disaster events for MHCs and scattered-site MH owners in target communities. Across the targeted 4-state Upper Midwest region, common hazards in targeted communities include tornados, landslides, hail, lightning, cold waves, and winter weather.

Proposed PRICE funding would directly address hazard risks by supporting the creation or improvement of accessible storm shelters in ROCs, and removal of trees that pose a hazard to resident safety in the event of a storm. Fire risk will be mitigated through the upgrading of dangerous electrical pedestals. Infrastructure and rehab will also include improving drainage and wastewater systems and upgrading grading, ground cover, or retaining walls to mitigate flood and related landslide risk for manufactured housing communities and sites. Tribal Rehab activities will also include weatherization.

All proposed PRICE project management budgets are built on the assumption that many infrastructure projects will require immediate mitigation strategies, and our project management approach will ensure that sufficient project management staffing and expertise is provided to mitigate hazards.

• How Environmental Factors will be Identified and Applied Consistently:

MHP's proposed PRICE activities focus on infrastructure and rehab activities that will reduce or mitigate environmental hazards and improve protections from environmental harm. Common environmental factors in the targeted communities include expected population and building loss rate, energy factors including high energy cost burden (prevalent in nearly 60% of impacted census tracts), health factors including prevalent asthma and heart disease, and workforce development factors including unemployment and poverty combined with low educational attainment. Proposed DREAM Infrastructure and Tribal Rehab activities will address environmental factors by:

- Improving protection from and resilience to environmental harms via weatherization for LMI MH owners on Native Nations, storm shelters for ROCs, and flood prevention in all eligible communities,
- Expanding environmental benefits, via clean water improvements (drinking water supply and wastewater systems); and
- Consistently apply new investment in environmental infrastructure across assisted project locations.

• How PRICE plan aligns with existing planning:

MHP has extensive experience ensuring alignment of affordable housing and community development activities with local plans. All MHP staff who will provide project management for PRICE-funded activities have experience reviewing and ensuring alignment with local planning under MHP's existing HUD-funded community development project assistance.

The DREAM Initiative's program design and project selection process will include review and alignment with local planning prior to the commencement of PRICE-funded project activities. MHP staff will work with prospective project beneficiaries during RFP review to ensure that proposed activities advance local, statewide, and CDBG plans.

MHP and NCF designed proposed PRICE activities in close consultation with leaders of potentially eligible communities. This engagement included Tribal governments and leaders of resident-owned communities (ROCs) to ensure that our planned DREAM activity approaches would meet locally-identified needs, including existing planning. Lessons learned from this process informed our proposed PRICE program design and approach.

Stakeholder Engagement and Public Participation Summary

• Summary of the Public Participation Process Completed as Part of the Application:

MHP and NCF posted our PRICE application on the MHP website, sent a press release announcing the public participation process and timeline, and proactively informed our networks in the targeted 4-state region about the opportunity to review the application and provide comments and feedback. Feedback was requested via email at a dedicated PRICE application mailbox monitored by multiple MHP staff.

We also held a public hearing to solicit comments and feedback, which was accessible in-person at the NCF offices (2610 University Avenue West, Suite 150St. Paul, MN 55114) and online via Zoom (which includes phone call-in options).

• Key Stakeholders and Strategy for Continued Outreach During Period of Performance:

Key stakeholders for the proposed PRICE activities focus on manufactured housing residents and community leadership (Tribal governments/TDHEs and ROC governing bodies) in the communities eligible for PRICE project resources: Resident-Owned manufactured housing Communities (ROCs) and Native Nations. NCF has worked with ROCs across MN and WI for 25 years and embodies authentic stakeholder engagement at the core of their approach. NCF will carry out project management for the DREAM Infrastructure and Acquisition activities in a way that encourages stakeholder participation from residents and leaders of current and prospective ROCs at every step of the project planning and implementation process. MHP has long and ongoing partnerships with Native Nations across the Upper Midwest. In addition to informing our proposed DREAM Initiative activities, these relationships will facilitate broad and inclusive marketing of available PRICE project funding, and responsive and flexible DREAM Tribal Rehab activity implementation facilitated through MHP's project management assistance.

Ongoing outreach during the period of performance will focus on marketing of availability of PRICE project resources in eligible ROCs and Native Nations, including both selection of project geographies for DREAM Tribal Rehab activities, as well as individual homeowner project availability within the selected Native Nations.

MHP will employ traditional methods of outreach such as email marketing, social media, and the local press to market availability of PRICE resources. MHP and NCF will also leverage existing relationships with local community leaders, institutions, and organizations that can assist in our efforts, including past program beneficiaries, subcontractors, and other partner organizations. By coordinating with well-connected and locally-trusted sources, we will expand our outreach efforts to relevant audiences.

RFP responses for DREAM initiative projects will also ask applicants to describe and ensure that community outreach informed their proposed request for PRICE project funds.

Long-Term Effect

MHP's approach and outcomes for the proposed PRICE activities are based on implementing aligned strategies to retain affordable housing for current LMI manufactured housing residents, which in turn retains other affordable housing options for LMI households in the surrounding communities. The useful, affordable life of assisted manufactured housing will be extended by providing rehab, infrastructure, and acquisition assistance to residents at risk of losing the livability of their homes and communities.

The core strategies of MHP's proposed PRICE activities are proven and effective methods for ensuring long-term affordability of MH across our proposed service area. ROCs are more stable and affordable than investor-owned MH communities, and all ROCs supported by PRICE funds under the DREAM Initiative will adopt bylaws limiting lot rent increases and other fees, preventing windfall in the event of dissolution, and ensuring that LMI households receive priority when bidding for a home purchase. These policies will exceed the PRICE program's required affordability period of 15 years, extending affordability for 30 years and beyond.

Native Nations selected as project locations for PRICE Tribal Rehab project funds will also commit to long-term affordability of manufactured homes serving LMI households on tribal lands. DREAM Tribal Rehab project agreements will be signed by tribes/TDHEs along with resident owners, with the tribes ensuring and enforcing front-end and long-term affordability of housing costs. Terms for tribal affordability enforcement will also be 30 years or beyond (subject to sovereign land-use restrictions determined by the Native Nations).

Proposed PRICE activities stabilize homeownership for LMI households, preserving and creating affordable homeownership options outside the speculative market and generating enduring wealth. DREAM Tribal Rehab activities will invest in improvements to both lot infrastructure and home structures for owner-occupied MH in Native Nations, ensuring long-term stability and resilience. DREAM Infrastructure and Acquisition funding will increase resilience of ROCs through infrastructure projects and resident acquisition, helping preserve the stable, useful life of homes sited on the ROCs.

Both direct infrastructure projects for ROCs and scattered-site infrastructure improvements being an eligible use of Tribal Rehab project funding are aimed at mitigating existing environmental hazards (wastewater, flooding, winter weather, raw sewage, air quality) and disaster risk (storm damage, catastrophic effects of extreme winter weather). Mitigating these hazards and risks will improve resilience and sustainability of manufactured homes across the proposed service region.