

Revitalizing Manufactured Housing Communities and Creating Homeownership Opportunities in North Dakota's Region 4

2024 PRICE Application

U.S. Department of Housing and Urban Development

Lead Applicant: Red River Regional Council, a regional economic development district

Partner: Red River Community Housing Development Organization, a nonprofit development organization energizing housing investment



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EXECUTIVE SUMMARY

The Red River Regional Council (RRRC) and Red River Community Housing Development Organization (CHDO) are partnering to apply for funding to develop an equitable program to increase the supply of affordable and accessible housing in underserved rural communities and distressed areas; to preserve and revitalize manufactured housing communities by improving essential infrastructure; to address the need for climate justice by increasing resilience from extreme weather conditions; address accessibility barriers for people with disabilities; and to expand homeownership opportunities for lower income residents living and working in Region 4.

As required, the RRRC has met all of the threshold requirements.

RRCHDO's mission is to grow opportunities for low-income and moderate-income people by developing quality affordable housing and supporting community development in the rural communities they call home, enhance living conditions, promote homeownership, and ensure the sustainability and affordability of manufactured housing in the region

EXHIBIT B: THRESHOLD REQUIREMENTS

- The Red River Regional Council (RRRC) is a governmental body with a memorandum of agreement with each of the four participating counties in this application. The RRRC is eligible for funding as an “Other: 25” applicant.
- **SF- 424** RRRC has reviewed the certifications and assurances associated with this application for Federal assistance. RRRC acknowledges the truthfulness of the certifications.
- **Assurances (HUD 424-B)** RRRC will comply with U.S. statutory and other requirements, including but not limited to civil rights requirements.
- **Federal Assistance Representations and Certifications** RRRC has completed the Federal Assistance Representations and Certifications section of the sam.gov registration.
- **Budget Form 424-CBW.** RRRC has completed the 424-B.
- RRRC has completed the following forms as part of this application: **424-CBW, SF-424D, SF-424B, HUD 2880, Disclosure of Lobbying Activities, Certification of Lobbying Activities.**
- RRRC has completed a **Code of Conduct** and included it in this application.
- RRRC and Red River CHDO confirm that both organizations are in **Good Standing with the State of North Dakota** and have no pending Civil Rights matters.
- Other sub-recipients, including municipalities and Resident-Owned Communities, will be selected through an application process. Government entities, nonprofit organizations, and cooperatives are both eligible to receive PRICE funding per the NOFO.
- Project partners confirm that only one application is being submitted under this NOFO.

EXHIBIT C: FACTOR A – NEED (15 PTS)

Note: American Community Survey data (2020 Census, 2018-2022 ACS), unless otherwise noted.

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

We are applying for the PRICE Main Category.

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

Project Area. The Red River PRICE program addresses the critical and urgent need for affordable accessible housing for low- and moderate-income residents in the underserved rural communities and qualifying distressed areas of Grand Forks (pop. 72,413), Nelson (3,025), Pembina (6,833), and Walsh (pop. 10,553) counties in northeastern North Dakota. The region borders Canada to the north and encompasses more than 4,818 sq miles (about the same size as the state of Connecticut).

The City of Grand Forks (pop. 58,935) is the only metropolitan area, home to about 63 percent of the region's residents. Nearly 37 percent (about 34,423) are considered rural residents (compared to 30 percent nationally), living on farms or in the 41 rural communities with populations between 15 and 4,100 people in this predominately agricultural area. Of those 41 rural towns, only 6 have populations over 1,000; 29 (71%) have populations of 500 or less, and 10 (25%) are in areas the USDA defines as frontier and remote.¹

The Spirit Lake Reservation, covering 245,240 acres, includes a small section of Nelson County. Spirit Lake is home to 7,500 members from the Pabaksa, Sisseton, and Wahpeton bands. About 2.4% of Region 4 residents identify as Native American, Indigenous, Native Alaskan, or First Nation, compared to 5% of North Dakota residents overall.

Racial and ethnic diversity is increasing in the region. About 17 percent of residents identify as people of color and/or Hispanic/Latino, a share that has doubled since 2010.¹

Low- to moderate-income households. About 58 percent of rural households (8,091) earn 80% or less of area median income (AMI), meaning there are about 18,972 low- to moderate-income rural residents who have the potential to be served by affordable accessible housing.

Need for accessible affordable housing. There is a clear and urgent need for affordable accessible housing in the underserved rural and distressed places in this four-county region of northeastern North Dakota.

Manufactured housing has long been an important source of affordable housing in the region's rural communities. However, like much of the region's-built housing stock, few MHs are new, most were manufactured before 1994, few are weatherized, and many have been severely damaged by hail and high winds.

¹ NDCompass. [Race - Demographics - North Dakota Compass \(ndcompass.org\)](https://ndcompass.org)

In this program, we propose using some of the funds to conduct a regional inventory to develop better local data about manufactured homes, their age of manufacture and condition. Of the 563 mobile and manufactured homes (MHs) that we have identified so far within a sample of 22 rural communities and qualifying census tracts, at least 250 would qualify for replacement or revitalization under this program.

Mobile and manufactured homes identified so far in 22 rural communities

- An estimated 20: MHCs
- 162 vacant or unusable pads
- 563 MH units
- 193 made prior to 1976
- 235 made 1977 to 1994

Qualifying census tracts in the City of Grand Forks

- At least 5 MHCs
- At least 2 blighted MHCs in need of revitalization and investment
- An estimated 774 MHs
- An estimated 80 MHs made prior to 1976

The opportunity to preserve existing MH and invest in community infrastructure, as well as expand equitable pathways to homeownership, is vital for the future of the underserved rural communities in this region. There is an escalating housing crisis resulting from a shortage of housing, lagging incomes, and a decade (or more) of under-investment and disinvestment in community infrastructure and affordable housing, compounded by persistent population loss.

Between 2010 and 2020, the urgent need for housing in the state's western energy-producing counties shifted nearly all of the manufactured housing entering the state, as well as residential builders, away from rural counties². Therefore, in the past decade, very little housing of any type has been built or renewed in the underserved and disadvantaged rural communities in these four northeastern North Dakota counties.

The four-county region has the highest percentage of cost-burdened homeowners and renters among the state's eight economic regions: 28% of all households are paying 30% or more of their income for housing. More than 30.6% of all households in Grand Forks County are cost-burdened, the highest percentage of any county in the state.³

In 2024, the RRCHDO conducted a rural housing study of the four-county region to better understand the rural area's housing crisis and to identify barriers and opportunities for preserving and increasing housing, especially affordable accessible housing. Among the study's preliminary findings:

The small towns in the region have seen little new housing development over the past several decades. Nearly 70% of the housing units in Region 4 built before 1970, and only 835 housing units have been built in the rural regions outside of Grand Forks City, compared to over 8,000 in the city, since 2000.

Challenges for new development include high infrastructure, materials, land, and labor costs, high interest rates, and a lack of investors, developers, builders and skilled trades. It is also difficult in many towns to acquire land that is suitable for development at scale. Highly productive agricultural land is hard to buy and very expensive. The region is also predominantly flat and experiences frequent flooding, and unsuitable for development in some communities. These are barriers to acquiring adjacent lands and extending infrastructure hookups.

This study also explores the possibility of introducing non-traditional housing typologies to the region, including accessory dwelling units (ADUs), homes with a smaller footprint (“micro homes”), or manufactured and modular homes. These should all be explored as Region 4 is currently over-reliant on single family housing.

Therefore, there is an urgent need to preserve, reinvest in, and enhance affordable accessible manufactured housing, as well as improve community infrastructure and amenities in manufactured home communities (MHC) in the underserved and distressed rural communities of Region 4. Likewise, there is a need to clearly and equitably address existing MH and MHC conditions and barriers to home ownership that disproportionately affect low- and moderate-income residents, especially members of vulnerable populations, in underserved rural communities and distressed areas.

Is your project within or does it include any communities that meet Distress Criteria?

Meeting distress criteria. This project would serve multiple communities and census tracts that meet distress criteria and are identified through the CDFI Investment Areas program, HUD’s DCTA program, and the Climate and Economic Justice screening tool.

Also, although the criteria are not necessarily used for this program, there are 25 underserved rural communities that were identified as priority geographies in the PRO Housing program. This assessment highlights the clear and urgent need in underserved rural places and distressed communities by identifying places where there is insufficient affordable housing measured as the number of households at 80% HUD Area Median Family Income divided by the number of affordable and available units affordable to households at 80% HAMFI.

The Red River PRICE program proposal has also preliminarily identified potential priority rural communities and census tracts with vulnerable and underserved populations where the housing crisis is more acute, the financial needs are greater, where manufactured housing makes up a greater portion of existing homes, and where there are more residents that are members of historically underserved communities as defined by Executive Order 13985, such as Hispanic or Latino people and/or people of color, people living in poverty, and people with disabilities, that are disproportionately and adversely affected by the condition of MHs and MHCs.⁴

These priority distressed areas include the Grand Forks Air Force Base and 9 qualifying metropolitan census tracts in the City of Grand Forks.

The priority underserved rural communities include Cavalier, Emerado, Grafton, Grand Forks, Lakota, Minto, Northwood, Tolna, and Walhalla, and possibly more. Three of these underserved

rural communities have critical and urgent needs: Emerado (pop. 416), Grafton (pop. 4,120), and Minto (pop. 608). Almost half the MHs among these three communities are uninhabitable or in need of replacement due to age (made before 1976).

Manufactured housing in these communities comprise a substantial amount of the housing stock, but the majority were placed decades ago and have never been moved. These aging MHs and the deteriorating infrastructure in neglected MHCs are creating hazards for their owners, renters, neighbors, and communities. The costs of moving unlivable structures adds to the burden that low- and moderate-income owners face, so many MHs have been abandoned, adding to the blight. Because there is a shortage of all types of housing in the region, and especially in these rural communities where more than 90 percent of available housing is occupied, there are few other options for the low- and moderate-income residents in these MHs.

Emerado (pop. 416)

There are four MHCs in Emerado, including one of the largest, and most unsafe, MHCs in the rural region. Located on US Hwy 2 and near the Grand Forks AFB, about 19% of Emerado's residents are veterans (twice that of the state). Emerado is one of the most broadly diverse communities in Grand Forks County, with 26% of residents identifying as people of color and/or Hispanic or Latino.

Emerado is in Grand Forks County, which qualifies under the DCTA program and was also identified as a priority geography for the PRO Housing program, meaning it has been assessed as having a lack of affordable housing for households at or below 80% of the area median income. This underserved rural community is not visible on the DCTA or CDFI tools because two much larger census tracts divide the city in half along US Hwy 81. However, 58% of households in Emerado meet the threshold for incomes at or below 80 percent of AMI.

Emerado was founded in 1964 to provide housing to workers, aviators, and military personnel at the Grand Forks Air Force Base across the road. It has been dilapidated for 30 years or more and is only getting worse. There is little hope of this property ever being improved while continuing to be affordable, outside of this PRICE program. With burgeoning economic development nearby, a more likely scenario is that a private developer would purchase the land, demolish existing homes, and displace current residents, to make room for higher cost new construction.

It is almost urgent that some public investment be used to save this neighborhood as affordable housing, but only if dramatic improvements can be made. Mobile and manufactured housing accounts for nearly half of the rural community's housing stock—10 times the rate of MH in Grand Forks County (4%), which has the largest amount of housing overall in the region. There are an estimated 134 MHs and 99 vacant pads. 72 MHs were built before 1976 – most occupied by renters, 46 were built between 1977 and 1994, and 20 are uninhabitable.

The PRICE program would go far to address the blight in Emerado and expand accessible affordable housing options for low- and moderate-income households. Two MHCs in a state of neglect are owned by one owner/operator, who started them in 1964 when the community was first established. He owns 88 MHs, including 70% of the uninhabitable units.

The operator has struggled to maintain the property, resulting in significant deterioration. The community suffers from long-term disrepair, with dilapidated and uninhabitable manufactured homes scattered among the inhabited ones. Old tires keep the roofing material from blowing off during storms. Metal scraps, garbage, and overgrown lots have created an unsafe environment. All the older MHs are in poor condition and lack weatherization. The development's roads are unpaved and heavily rutted, causing standing water that serves as a breeding ground for mosquitoes. The owner provides minimal road maintenance and snow removal services. There are no sidewalks or designated walking paths within the MHC, making it completely inaccessible to people with disabilities and unsafe for children. The lack of street lighting leaves MHC occupants vulnerable at night, and crime is an ongoing problem in the neighborhood.

In a letter of support, Grand Forks County Sheriff Andy Schneider wrote:

“The manufactured housing in this area is severely dilapidated, with multiple structures not even being in a livable condition. ... Naturally, areas kept in this condition attract criminals and criminal activity. An overhaul by way of upgrading the housing in this area would provide safer living areas in the community.”

Emerado Mayor Jake Lanes wrote:

“(We have been cleaning up) and making large strides in that process as we have rewritten ordinances that hindered our abilities, we have reworked our budget to allow us to provide the necessary means of cleaning up for our residents and we have created a new sense of pride in our town. ... One of the areas of our town in dire need of correction, is our mobile home park, known as Acks Mobile Home Park. ... Only about 50% of the mobile home park is occupied, and another almost 30 percent of the park is uninhabitable due to the deterioration of the homes. ... Our community desperately needs the assistance that may be afforded (through this program).”

Grafton (pop. 4,186)

Grafton is the county seat of Walsh County and is the region's second largest city. Grafton qualifies as a disadvantaged community according to the Climate and Economic Justice Screening tool. Median household income for both Grafton's census tracts combined was \$59,696 and 62 percent of households earn incomes of 80% or less than AMI.

There are at least 84 units in four MHCs in Grafton. About 20 were made prior to 1976 and need replacement; about 40 were made between 1977 and 1995 and would qualify for weatherization and reinvestment. Two MHCs are deteriorating, with junk and abandoned structures on site, creating potentially unsafe conditions. Two MHCs would benefit from modernization and infrastructure improvements, such as broadband, fire hydrants, storm shelters, improving lighting, adding playground equipment, and improving accessibility.

Grafton has the largest Hispanic or Latino community in the region and state. About 25% of the city's population is Hispanic or Latino (307 households or 1,031 persons), double the percentage in Walsh County. Comparatively, around 4% of the population in the region's other counties and

statewide identify as Hispanic or Latino. More than 68% (about 209 households) of Hispanic or Latino households earn 80% or less than the area median income.

Hispanic and Latino residents own a disproportionate share of the older and more in-need MH units. Specifically, they own 15 of the 20 MH units built before 1976, which is 79 percent, and 19 of the 40 MH units made between 1977 and 1994, which is 48 percent. This highlights a significant aspect of housing needs and equity in the region.

Minto (pop. 608)

Located about 10 miles south of Grafton, Minto has a population of 608 people. About 12% of the population is Hispanic or Latino. While the median household income among Minto residents is \$68,636, about 19% of residents live below the poverty line, which is double the poverty rate for Walsh County (9.7%) and 1.5x higher than North Dakota (10.8%). About 36% of the city's 125 children under 18 live in poverty, nearly four times the rate of Walsh County and three times higher than the state (11.8%). An estimated 56% of the city's 268 households earn at or below 80% of area median income.

There are about 294 housing units in Minto; 88% are owner-occupied, a rate 10% higher than Walsh County and 1.4 times higher than ND (63%). There are an estimated 41 MHs, about 14% of the housing stock. There are at least two MHCs which include 32 of the city's 41 MHs, with 26 (78%) owned or rented by Hispanic households. 30 MHs (94%) meet the age criteria for replacement or revitalization: 26 (78%) were made before 1976 and 4 were manufactured between 1977 and 1994.

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

While there are no communities in the four-county region identified by FEMA as Community Disaster Resilience Zones, the two census tracts that comprise the city of Grafton have been identified as disadvantaged according to the Climate and Economic Justice screening tool. The Red River PRICE program would increase the resilience of housing and community infrastructure.

Future risks due to natural hazards. Northeastern North Dakota is an area of the country that is "experiencing unprecedented climate-driven extremes" including extreme heat and cold, flooding, and severe storms with a high likelihood of hail, damaging winds, tornados, blizzards, and ice.

FEMA has identified these climate hazards, along with riverine flooding, as the greatest risks to structures and people. These weather extremes impact the safety, longevity, and affordability of housing.⁵ According to FEMA, Grafton is in the 94th percentile for expected building loss from natural hazards, and in the 96th percentile for energy cost burdens. Minto is 9 miles directly south of Grafton and experiences similar weather, as does Emerado and the region's other rural communities.

FEMA's National Risk Index calculates that weather disasters will cost at least the following estimated losses to each county, per year, which includes damage to infrastructure and

agriculture:² The per capita costs of these disasters are 3x higher for rural residents living in Nelson, Pembina, and Walsh counties than more densely populated Grand Forks County. The burden of per capita costs in the underserved rural communities and areas of this region contributes to the impacts of climate injustices on low- and moderate-income households.

- Grand Forks County: \$25.9 million
- Nelson County: \$2.0 million
- Pembina County: \$5.9 million
- Walsh County: \$9.7 million

Disaster-prone areas. Although not included in the first set of communities identified as Community Disaster Resilience Zones, the four-county region is disaster prone and has been working on mitigation and increasing resilience. The areas that the Red River PRICE program would serve, have historically experienced more severe weather and climate disasters of any counties in the state of North Dakota⁶. Between 2011 and 2021, North Dakota experienced 13 federally declared climate disasters. The state’s hardest hit county was Walsh County with 7, where two priority communities, Grafton and Minto, are located. Grand Forks and Nelson counties experienced 9 and 7 flood disasters declarations, respectively, during the same timeframe.

Increasing resilience. Improving the resiliency of MH housing and MHCs is important for preserving housing stock and for resilience and climate justice.

Because of the past 30 years of focused disaster recovery and mitigation investments by local, state, and federal governments, the region is more resilient and more prepared to prevent and respond to future severe weather events, especially riverine flooding, than in past decades. Each county has a well-developed emergency management plan and a 5-year multi-hazard mitigation plan, as do many cities.

The future risks of riverine and overland flooding to housing, and to MHs in particular, have been mitigated significantly through the massive investments in flood prevention in the Red River region, including the \$409 million Flood Protection Project in Grand Forks, and the \$48 million Grafton Flood Risk Reduction Project, which was completed in 2021 and removed the city from the 100-yr flood plain.

Through that process, numerous MHs and MHCs have been removed or relocated from flood plains since 1997.

The activities in this proposal aimed at addressing community and MH risks due to flooding, hail, high winds, tornados, blizzards, extreme temperatures, and ice storms and other environmental hazards will increase resilience. Improving MHCs to include storm shelters, lighting, broadband, and fire hydrants would greatly increase the ability of these structures and households to prepare for and survive severe weather safely, and with less damage to MHs, extending their lifespan.

²FEMA National Risk Index. (2023).

<https://hazards.fema.gov/nri/report/viewer?dataLOD=CountiesanddataIDs=C38035,C38063,C38067,C38099>

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

A **lack of financial resources** is the most significant barrier to manufactured housing preservation and revitalization in the underserved and distressed communities in this region, especially in rural places and the possible priority areas of Emerado, Grafton, and Minto.

However, **long-term negativity and community attitudes** about manufactured housing and manufactured housing communities are also serious barriers. Public opinion is related to the poor quality of older manufactured homes, and the fact that very low-income and disadvantaged people often are the occupants of this old poor-quality housing. Occupants often lack resources to maintain a home in the same way as a middle-income household would.

Another factor is the **practice of renting a lot** for a manufactured home. The two costs combined with high utility bills caused by poor construction and energy efficiency are a triple threat to low-income occupants of manufactured housing. Additionally, because residents of MHC don't own the lots their homes sit on, they have no garages or sheds to store belongings such as toys, bicycles, shovels and lawn mowers, so yards are often scattered with these things.

Another barrier to change and revitalization that cannot be overlooked is **the business model of MHCs**. Owners make a lot of money with little overhead. Predatory lease provisions can exploit low-income residents and lead to them losing their homes. When an MHC owner "inherits" abandoned homes that can earn owners even more. The profit margin can be quite good so the sale price for MHCs may be too high for a buyer who wants to make improvements to do so and keep lot rents affordable. All of these factors contribute to quality remaining low and the appearance of MHCs less appealing to others in the community.

EXHIBIT D: FACTOR B - SOUNDNESS OF APPROACH (50 PTS)

Subfactor (b)(i): Project Description, Management, and Impact (10 pts)

What are your vision and goals?

The Red River Regional Council's (RRRC) vision is for a future where communities are strong and the region is thriving, and everyone can prosper. The vision for Red River PRICE is the same, with a focus on manufactured housing communities (MHCs) and residents of manufactured housing. The work is focused on making improvements that create safe, welcoming, manufactured housing communities or neighborhoods in the region with sufficient infrastructure to support current living standards. It will also focus on improvements in quality, energy efficiency, accessibility, and availability of manufactured housing for low-income households. Valuing people and community are the guiding principles for this Red River PRICE proposal.

Our goals are to raise awareness of manufactured housing as a quality affordable housing option, dramatically improve conditions in neglected MHCs by supporting local ownership and control, and eliminate pre-1976 manufactured homes to improve health, safety, energy efficiency, extreme weather resiliency, and accessibility.

Selection criteria. For this project, we identified multiple communities and census tracts that qualify or otherwise meet distress criteria and are identified through the CDFI Investment Areas program, HUD's DCTA program, and the Climate and Economic Justice screening tool.

However, underserved rural communities face further barriers to inclusion in federal funding programs such as this one that rely on selection tools that analyze places based on census tract boundaries, and/or only 5 to 10-year intervals to define population loss. Census tracts have a minimum population of 1,200. The majority of the underserved and marginalized rural communities in our region—36 of 42—have populations under 900 people; 29 (71%) are 500 or less, and 10 (25%) are in areas the USDA defines as frontier and remote.¹

For example, of the 32 MHs in Minto (pop. 608), 26 were made before 1976. People of color and/or Hispanic or Latino descent are disproportionately impacted by these aging MHs and the declining condition of the MHCs, as 24 of the 26 pre-1976 MHs are owned or occupied by people who are Hispanic or Latino. The economic distress and housing inequities can be seen in the percentage of low- to moderate-income households (58% earn at- or below 80% of AMI), but also in the poverty rates: 19% total, and 36% for children under age 18. Minto is located just 9 miles south of Grafton, and is vulnerable to flooding and severe weather that the Climate and Economic Justice Screening tool identified for Grafton. However, the census tract boundaries sweep Minto into a census tract that has an area of 600 sq. miles and a total population of 1,668. The injustice for Minto (and Emerado, and several other very small underserved rural

communities in our region), and especially for the people of color and/or Hispanic or Latino descent that live there, is the ongoing failure to qualify for potential funding because the populations are too small or their challenges are otherwise not detected by distress criteria definitions that are not designed to value the impacts that persistent population loss and severe weather have on rural places and their underserved and vulnerable populations.

We are offering these additional insights because the future of these underserved rural communities is at stake. The shortage of affordable accessible housing is dire. Therefore, we also we identified potential communities and rural places for this program where more than 51% of households earn incomes equal to, or less than, 80 percent of the area median income (AMI) and their shortage of affordable housing has been identified by other HUD programs.

25 underserved rural communities in this region qualified as priority geographies in the PRO Housing program. This PRO housing priority assessment identified places where there is insufficient affordable housing measured as the number of households at 80% HUD Area Median Family Income (HAMFI) divided by the number of affordable and available units affordable to households at 80% HAMFI.

The Red River PRICE program proposal has also preliminarily identified potential priority rural communities and census tracts with vulnerable and underserved populations where the housing crisis is more acute, the financial needs are greater, where manufactured housing makes up a greater portion of existing homes, and where there are more residents that are members of historically underserved communities as defined by Executive Order 13985, such as Hispanic or Latino people and/or people of color, people living in poverty, and people with disabilities, that are disproportionately and adversely affected by the condition of MHs and MHCs.⁴

These priority distressed areas include the Grand Forks Air Force Base and 9 qualifying metropolitan census tracts in the City of Grand Forks.

The priority underserved rural communities include Cavalier, Emerado, Grafton, Lakota, Minto, Northwood, Tolna, and Walhalla. Three of these underserved rural communities have critical and urgent needs: Emerado (pop. 416), Grafton (pop. 4,120), and Minto (pop. 608).

Specific Activities will include:

Planning, Outreach and Education, Acquisition and Local Ownership of MHCs, Quality and Homeownership

1. Planning

Commission a regionwide inventory and evaluation of manufactured housing, documenting the location, quality, and potential improvements needed including strategies to maximize community resilience to environmental risks such as high winds, flooding, extreme cold, ice storms. Findings will be made available to all communities in the region. Red River PRICE will focus efforts in priority communities, defined in this application as low-income communities and those considered to be distressed and/or disadvantaged.

Based on needs and available funding, strategies will be developed to maximize

community stability for residents of manufactured housing. Funding will also be used to design infrastructure repair, replacement, and updates to ensure that residents have adequate water, sewer service, electricity, and broadband service to enjoy their homes.

2. Outreach and Education

This component will develop and share accurate information to residents and community leaders about today's manufactured housing quality, energy efficiency, and resilience. Resources will include strategies on how to weave manufactured housing into the local affordable housing stock. Ways to create manufactured housing friendly neighborhoods will also be promoted.

Half of North Dakotans cannot afford a \$250,000 home. We need to open the door to alternative housing options that are high quality and affordable in order to meet the needs of our growing communities. Unless we improve the MHCs we already have it will be a challenge to make some of these broader changes. We want to start the discussion with good, accurate information to share.

Outreach efforts will lend extra focus to reaching out to minority and disadvantaged residents. This component will also include funding a bilingual Outreach Coordinator and Housing Navigator to work directly with residents of manufactured housing. The Outreach Coordinator's role will be to host community meetings, connect with residents, learn about their specific needs, and share information about available resources. The Outreach Coordinator will also form an advisory committee comprised of residents of manufactured housing, and community members who support improvements to manufactured housing in the region. The advisory committee's role will be to provide insights and feedback on local needs and the effectiveness of Red River PRICE activities.

The Housing Navigator will work with residents to secure financing for the purchase of new manufactured homes, sharing information about available resources and walking beside them as they navigate the process. Funding will also be used to provide homebuyer education and/ or financial fitness classes for residents interested in purchasing their current home (if renters) or a new modern, energy efficient, manufactured home.

3. Acquisition and Local Ownership of MHCs

Several manufactured housing communities owned by out-of-state and disinterested owners have been identified in the region. Red River PRICE proposes working with existing owners to purchase these manufactured housing communities and convert ownership to tenant co-operatives, or a community land trust. These efforts will be focused on the priority communities identified based on status as a low-income or disadvantaged community according to DCTA, CDFI, and the Climate and Economic Justice screening tool, as well as the distress criteria. Priority communities identified through these include Cavalier, Emerado, Grafton, Grand Forks, Lakota, Minto, Northwood, Tolna, and Walhalla.

When local control is achieved, investments in infrastructure will be made to transform these neglected communities into safe, accessible attractive places. Improvements may

include updating underground infrastructure, paving streets, updating electrical service, installing broadband infrastructure, streetlights, tornado sirens, and fire hydrants. It may also be used to provide green space such as playgrounds, picnic areas, and dog parks, and building storm shelters. PRICE funding will be used for site acquisition and infrastructure improvements and may present an opportunity to leverage additional financing, such as low interest loans from USDA Rural Development or Bank of North Dakota, based on cash flow projections of the new MHCs.

4. Quality and Homeownership

We have documented 193 manufactured homes in 22 underserved rural communities that were made before the 1976 construction standards went into effect. This number is not all inclusive but a good reflection of how many people are living in poor conditions. The safety and stability of homes of this age is compromised. Pre-1976 homes are vulnerable to extreme weather damage from tornadoes, straight line winds, hail, and extreme cold, all of which are common in the region. Poorly insulated manufactured homes lead to high energy bills (if residents can afford to pay them), uncomfortable cold temperatures inside (if they can't afford to pay them), and frozen pipes.

Red River PRICE proposes to replace/reconstruct as many pre 1976 manufactured homes as possible. This is our number one priority. Another high priority is to improve accessibility to households with disabilities through rehab, modifications, or replacement. While making investments in this affordable housing stock Red River PRICE will look for opportunities to help residents become homeowners. PRICE funds will be used for homebuyer education, financial fitness classes, silent second loans to bridge affordability gaps, and grants.

The **National Objective** to be met by this proposal is the benefit to LMI persons as the entire plan is solely targeted to this objective.

Which eligible activities will you use to address the need(s) described in Factor (a)?

We started with a question. **“This is a big problem in our region, how do we make the biggest impact?”** The program outlined in this application was built in response to this question. We want to tackle the worst of the worst, first. This PRICE opportunity would be transformational and life changing for some of the most impoverished people in some of the most dilapidated communities in the state.

Strengthen regional networks for the benefit of LMI households.

- The RRRC has been a partner with regional communities for more than 50 years and has deep, long-term relationships with these community leaders. This is evidenced throughout this application as community leaders, rooted in these long relationships, quickly came together with eager interest and widespread support for this proposal. The vast networks of partners the RRRC has established include high levels of trust, respect, and are action- and solutions-focused. These boots-on-the-ground relationships will assist in the ultimate success of this proposal. The proposal will impact friends and neighbors in these communities as a once in a generation opportunity.

- There has been great foundation and preparedness created to new housing opportunities as they arise. These communities are also eager to improve their communities and seize growth opportunities before them.
- The RRRC networks its communities and leaders from one community to another. As communities rise with opportunities and leadership, their work is amplified and serves as empowerment to other small towns.
- The networks within the City of Grand Forks and the small towns of the region are strengthened with this proposal. Over the past five years we have continued to cultivate numerous opportunities for the city and small towns to pull together and work collaboratively. This further enables the strong networks of the city to support the broader region which contributes greatly to this urban center's economic success.
- There is a strong shared desire regionwide to assist with the betterment of the MHCs and improve lives of LMI individuals.

Once Red River PRICE helps a local ownership group acquire an MHC, and essential infrastructure is updated and improved, the goal will be to eliminate all pre 1976 manufactured homes and replace them with new well built, highly energy efficient, resilient manufactured homes.

Another high priority will be to help residents with disabilities who are unable to navigate their homes, with modifications or full replacement/ reconstruction to maximize accessibility and their ability to enjoy their home.

At the same time this Red River PRICE program will increase the availability of lots where manufactured homes can be set on permanent foundations and become real property, easing the ability of buyers to secure financing for their new homes.

One notoriously neglected MHC has more dilapidated and unoccupied units than habitable ones. Only a handful of units in that MHC are newer than 1976. The community was built in 1964 to provide housing to workers, aviators, and military personnel at the Grand Forks Air Force Base across the road. It has been dilapidated for 30 years or more and is only getting worse. There is little hope of this property ever being improved while continuing to be affordable, outside of this PRICE program.

With burgeoning economic development nearby, a more likely scenario is that a private developer would purchase the land, demolish existing homes, and displace current residents, to make room for higher cost new construction. It is almost urgent that some public investment be used to save this neighborhood as affordable housing, but only if dramatic improvements can be made, which is why PRICE makes us so hopeful.

Approach.

- **The Red River PRICE program intends to work with communities and current owners of MHCs to acquire properties totaling around 300 lots.**
 - Ownership of these MHCs would then be converted to a co-op or

community land trust to ensure long term affordability and ensure that the voices of residents are heard. As part of this application process, we have spoken to several owners who are open to selling. While they have not been comfortable entering into a long-term Option to Purchase agreement at this time, not knowing if this grant request will be successful or not, once a funding award is made those negotiations will resume.

- Our preliminary research has identified 26 MHCs in the four counties ranging in size from 4 units to 271. Many of the owners are out-of-state investors who have little interest in the well-being of the residents who live there. There is a growing trend of new owners dramatically raising lot rents to a degree that residents become cost burdened. When they cannot afford to stay, they may not be able to afford to move their home, or it may not be in a condition that would allow a move. In cases like these, homes are left behind. Owners lose their asset and their home, and MHC owners are able to take ownership of them and lease them out at a profit. These kinds of practices prey on vulnerable populations and cause emotional and financial damage to both adults and children living in manufactured housing.

When there is a change in ownership of an MHC, residents may experience fear about what is to come. This kind of instability is unnerving and stressful. Red River PRICE activity will support people-centered, accountable ownership, with resident participation in decision making, and a requirement that the MHC operators adopt Freddie Mac resident protections (or similar) in all leases. These protections include things like 30 day notice on rent increases, 5 day grace period for rent payments, the right to sell the manufactured home in place within 30 days after an eviction from the MHC, the right to assign the pad site lease for the unexpired term to the new buyer, right to post for sale signs that comply with community rules and regulations, and a right to receive at least 60 day notice of a planned sale or closure of the community.

- **Permanency and Ownership. As MHCs are acquired and re-organized, Red River PRICE will also work to convert some previously rented lots into lots that manufactured homes can be permanently located on.** This will be a particularly effective strategy in MHCs that have vacancies.
 - Homeownership may be achieved by selling the lot to the homeowner, or in the case of a land trust, entering into a long-term ground lease allowing them to set their home on a permanent foundation and secure a leasehold mortgage on the home. Traditional mortgage financing is more affordable and flexible than personal property loans, but they are only available on homes set on permanent foundations. The more lots we can make available for homeownership the more housing stability owners will have. Pride in ownership and community improvement are additional benefits, when this arrangement can be made to work.
 - Households living in pre 1976 manufactured homes will be given an opportunity to purchase a new home of their own. We propose PRICE funding be used to appraise each home and pay buyouts based on fair market value. Residents will be asked to finance a portion of the replacement

manufactured home, with the loan sized so that the household's total monthly housing expense, including house payment, lot rent, utilities, taxes and insurance, does not exceed 30% of the household's monthly income. Additional assistance using PRICE funding may be offered in the form of silent second loans to cover financing gaps. New homes will be highly energy efficient, with a recommendation for Energy Star rated homes or Zero Energy Ready homes. These homes will provide excellent thermal comfort in both cold and hot weather resulting in significant utility savings over the old homes. Homes financed with PRICE funding will be required to remain affordable for at least 15 years.

- Some residents of manufactured housing are renters of those homes. Many are very low income. Currently the condition of pre 1976 manufactured homes in the region is poor. They will not pass the housing quality inspection required to be eligible for HUD rental assistance. In this scenario, we would first try to help the tenant purchase a unit of their own. If that is not possible, we would provide financial assistance to the co-op or land trust, to acquire a replacement unit that could then be rented to that household. The newly constructed, highly energy efficient, and extreme-weather resilient manufactured home will pass the housing quality inspection opening the door for the occupant to receive rental assistance through the Housing Choice Voucher (HCV) program.
- For buyers of new homes, Red River PRICE will work closely with USDA Rural Development (RD) to help buyers access affordable mortgage financing. The RD 502 Direct Loan program offers a subsidized interest rate as low as 1% for low-income buyers in rural communities and can extend the term of the loan beyond 30 years to further reduce monthly payments. USDA RD loans are available to buyers who set their new manufactured home on a permanent foundation on a lot they own, or on a lot for which they have a long-term lease. Homes purchased by a co-op or land trust and rented to a low-income household will remain affordable for at least 30 years. Homes purchased by low-income households will remain affordable for at least 15 years.

Manufactured housing communities acquired with PRICE funding will remain affordable to low- and moderate-income households for at least 30 years. In order not to concentrate poverty in one location, Red River PRICE proposes to set aside 70% of lots for households earning 80% of AMI or less, and 30% for households earning up to 120% of AMI at each MHC. This will help maintain affordable housing options for a wide range of households and facilitate the development of a healthy mix of residents in each community.

The proposed Red River PRICE program is a well thought-out, well-rounded approach to improving housing conditions for low-income people and advancing manufactured as a quality affordable option to increase the availability of much needed housing in our rural communities. It includes planning, outreach and education, acquisition of MHC by local entities, and elimination of the worst of the worst housing in the region. It will help people

with disabilities to acquire physically accessible manufactured homes.

The plan includes partnering with municipal leaders, non-profits, state and federal programs, and service providers. It will make possible the ability to leverage additional state and federal funding to enhance the work supported by PRICE funding. Make infrastructure, safety, and resiliency improvements to MHCs to enhance the environment for low-income people. Priorities will be focused on creating safe, clean, healthy MHCs that are fully integrated into the greater community.

Most importantly Red River PRICE will offer hope and dignity to underserved people who have been trapped in sub-par housing for far too long.

What is your timeline and key tasks along that timeline?

YEAR 1 - 2025

- **Program development**
 - Hire consultant for regional inventory and evaluation of needed repairs.
 - Hire Outreach Coordinator, and form resident advisory board.
 - Organize resident advisory board, provide advisory board leadership training, provide chrome books
 - invite land trust and co-op experts to meet with resident advisory board to learn about local ownership options.
 - Develop community education materials, and marketing/ social media campaign.
 - Hire Housing Navigator / Tenant relocation manager
- **Manufactured Housing Community #1 (MHC#1)**
 - Initiate and/or continue negotiations with owners of selected manufactured housing communities – sign purchase options and/ or purchase agreements,
 - Engage civil engineering for preliminary design of infrastructure improvements and cost estimates.

YEAR 2 - 2026

- **MHC#1**
 - Formation of resident co-op or community land trust #1
 - MHC #1 - Acquisition of MHC #1,
 - MHC #1 - Appraisals of existing units, buyout offers to owners of pre-1976 MH.
 - MHC #1 - Removal of dilapidated units, initiation of infrastructure improvement work, temporary relocation of residents as needed – less than 12 months. Infrastructure improvements done in stages allowing for short-term relocation to another lot in the same MHC.
- **MHC#2**
 - Purchase agreement for acquisition
 - Preliminary plans and cost estimates for infrastructure improvements.
 - Formation of resident co-op or community land trust

- Acquisition of MHC
- Appraisals of existing units, buyout offers to owners.
- **Ongoing**
 - resident advisory board and resident outreach.
 - community outreach and education, around modern manufactured housing's role in meeting affordable housing needs.
 - financial fitness and home buyer education

YEAR 3 - 2027

- **MHC #1 - Completed**
- **MHC#2**
 - Removal of dilapidated units, initiation of infrastructure improvement work, temporary relocation of residents as needed – less than 12 months.
 - Infrastructure improvements done in stages allowing for short-term relocation to another lot in the same MHC.
- **MHC#3 and #4**
 - Purchase agreements for MHC#3 and MHC#4
 - Preliminary plans and cost estimates for infrastructure improvements.
 - Preliminary civil engineering and cost estimates
 - Formation of resident co-op or community land trust #3
 - Acquisition MHC#3
 - Appraisals and buyout offers MHC#3
- **Ongoing**
 - resident advisory board and resident outreach.
 - community outreach and education, around modern manufactured housing's role in meeting affordable housing needs.
 - financial fitness and home buyer education

YEAR 4 - 2028

- **MHC#2 - Completed**
- **MHC#3**
 - Removal of dilapidated units, initiation of infrastructure improvement work, temporary relocation of residents as needed – less than 12 months.
 - Infrastructure improvements done in stages allowing for short-term relocation to another lot in the same MHC.
- **MHC#4**
 - Formation of resident co-op or community land trust
 - Acquisition of MHC#4
 - Appraisals and buyout offers to existing owners
 - Removal of dilapidated units, initiation of infrastructure improvement work, temporary relocation of residents as needed – less than 12 months. Infrastructure improvements done in stages allowing for short-term relocation to another lot in the same MHC.
- **Ongoing**
 - resident advisory board and resident outreach.

- community outreach and education, around modern manufactured housing's role in meeting affordable housing needs.
- financial fitness and home buyer education

YEAR 5 - 2029

- **MHC #3** - Completed
- **MHC #4** - Completed
- **Ongoing**
 - resident advisory board and resident outreach.
 - community outreach and education, around modern manufactured housing's role in meeting affordable housing needs.
 - financial fitness and home buyer education

YEAR 6 - 2030

- **Ongoing**
 - resident advisory board and resident outreach.
 - community outreach and education, around modern manufactured housing's role in meeting affordable housing needs.
 - financial fitness and home buyer education
- **Project Closeout**

What is your budget?

All Applicants: include all funding amounts and sources, how the funding will be provided, and how your project will be supported and sustained by the funding. Include the funding you are requesting from PRICE.

The overall budget for Red River PRICE program is \$53,972,499. 

USES OF FUNDING	TOTAL	%
Planning	\$200,000	0.4%
Outreach & Education	\$1,942,736	4%
Site Acquisition and Infrastructure Improvements	\$29,354,000	54%
Pre 1976 Replacement	\$20,532,589	38%
Program Management	\$2,143,174	4%

PRICE funding in the amount of \$53,952,499 will support all activities described in this application. PRICE funding may also allow us to leverage additional state funding from the North Dakota Housing Financing Agency (NDHFA), North Dakota Department of Commerce (DCS), and North Dakota’s USDA Rural Development (RD) office, and the Federal Home Loan Bank of Des Moines (FHLBDM). Each of these programs operates on annual or biannual budget cycles so are unable to forward commit funding. We have opportunities to make comments on State program priorities each year during the Consolidated Planning process, so will work with state agencies to maximize opportunity for PRICE program participants.

POTENTIAL FUNDING PARTNERS	PROGRAM	USES OF FUNDINGS
DCS	CDBG	Acquisition and infrastructure
USDA RD	Direct Loans	Homebuyers setting new MH on permanent foundations
USDA RD	Community Facilities	Storm shelters
FHLBDM	AHP	Rehabilitation grants and downpayment assistance

What are the projected impacts of your activities if implemented?

The impact of this PRICE investment will, by design, be dramatic. The disadvantaged communities identified in this application have seen little investment for many years. Residents live with uncertainty about the future with owners looking to sell and the commercial market for manufactured housing communities growing rather predatory. The best way to protect residents of these MHC’s is support local acquisition of them and maintain accountable local control. People’s homes should not be a commodity.

This PRICE investment will **transform four to five undesirable MHCs in the region**. Because the need for more affordable housing is so great and modern manufactured housing has so much potential to help meet our needs, it is imperative that the MHCs we have are safe, inviting, desirable places to live. When we lift the condition of existing MHCs and the living conditions of the residents it will demonstrate to the larger community that manufactured housing can be a high quality, attractive, safe, energy efficient and affordable, solution to incorporate into their growth plans.

Our goal with PRICE is to **eliminate all pre-1976 manufactured homes in MHC’s acquired** with PRICE funds. They are poorly built, deteriorating, unhealthy and unsafe. The people who live in them will likely never have an opportunity to improve their lives and housing situation without PRICE. For some it will be a life changing opportunity to become a homeowner. For others it will simply get them out of very poor living conditions and into a home where they will be safe, warm, dry, and healthier. For low-income households who have a member living with a disability, an old mobile home is not at all accessible. The homes are elevated on piers, requiring

steps, doors are narrow, walls are flimsy, bathrooms are cramped. The quality of life for people with disabilities living in older MH is not what it should be. Red River PRICE will make accessibility for MH residents a priority with ramps and other modifications, or with replacement of older units with new units designed to be accessible.

To the greatest extent possible, **new homes purchased with PRICE funding will be highly energy efficient**, with a priority on Energy Star and Zero Energy Ready certified homes. These replacement units will improve resiliency of MHC and homes and reduce energy use and utility costs.

Red River PRICE will actively seek input and participation from residents of MHC and disadvantaged people. A bi-lingual Outreach Coordinator will engage in meeting people, getting to know them, and learning about their situations and needs. A tenant advisory board will be organized to provide feedback and direction regarding PRICE activities. Members of the advisory board will be offered leadership training to empower them to be a strong voice for themselves and their neighbors. We will implement lease protections consistent with Freddie Mac standards for all residents of rented pads. Red River Regional Council will also promote business development opportunities to disadvantaged residents who are interested in turning their skills into a small business through coaching, space at their new small business incubator, and connecting them with resources available through SBA, SCORE, and county Job Development Authorities.

On the whole, over the 6-year grant period, Red River Price program impacts will include:

- acquisition of approximately 300 lots in four to five manufactured housing communities by locally controlled co-ops or land trusts.
- reconfiguration of lots to accommodate modern sized manufactured homes, conversion of lots to ownership opportunities, expand broadband infrastructure to all lots, improve underground infrastructure and storm water retention, paved streets, and improved community safety
- replacement of approximately 250 pre-1976 units
- leadership training for the 12-member resident advisory board
- financial fitness training to approximately 300 individuals and home buyer education to approximately 200 individuals
- provide information to 41 small cities about modern manufactured housing, and highlight strategies to incorporate quality manufactured housing into the local affordable housing stock

Ancillary impacts stemming from PRICE activity and investment are likely to include additional manufactured housing friendly neighborhoods being developed in small towns in the region. A shift in population from decline to stability and even some growth. Fewer police calls. An increase in homeownership and a resulting increase in local tax base. Eliminating blighted MHC will change the face of some communities, inviting additional development by the private sector and further supporting growth and the local economy.

Subfactor (b)(ii): Affordability and Equity (15pts)

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

Red River PRICE is focused on improving the housing situation of low-income households living in manufactured housing. The Outreach Coordinator will be a key position, seeking out residents, engaging in conversation, learning about their situation, inviting input from them, and organizing the resident advisory board. Low-income households will be the primary beneficiaries of PRICE investments in both site acquisition and replacement of pre 1976 manufactured homes. Opportunities to purchase a replacement home will be made available to occupants of these obsolete homes.

Reconfiguring MHCs will allow the integration of lots for permanent placement of manufactured homes on permanent foundations. Lots may be owned by the homeowner, or in the case of a land trust, secured by a long-term ground lease allowing them to secure traditional mortgage financing.

The Housing Navigator will work directly with buyers to help them prepare themselves for a purchase. They will share information about financing options, line up homebuyer education or financial fitness classes, help with paperwork, and help buyers prepare to apply for a loan. Buyers will be directed to USDA RD or another lender to get a loan for the home. The loan will be sized to ensure the monthly payment is affordable – meaning their monthly housing expense, including house payment, lot rent (if applicable), taxes, insurance, and utilities, does not exceed 30% of their monthly income. PRICE funds will be used to provide gap financing in the form a silent second loan. Upon re-sale of the home, a portion of the soft second loan may be repaid from net sales proceeds. The formula will be based on the shared equity model used by the Grand Forks Community Land Trust. This approach will allow owners to capture a share of any increase in value (equity), potentially launching them into their next home.

A lease-purchase option will be made available to households that are not creditworthy and are unable to secure a loan. The lease-purchase option will allow residents to rent the new home for a period of three years with an opportunity to purchase at the end of the three years. A portion of their monthly rent during the lease period will be credited toward their purchase. The three-year lease period will give the resident an opportunity to work on financial fitness to improve their credit, while earning equity in the home through the rent credit. The Housing Navigator will continue to work with the resident during this period to support them in reaching their goal. If the resident is unable to secure financing after the three years they may remain as a renter.

For households that are doubled up, homeownership opportunities may be made available to both families to eliminate overcrowding and maximize opportunity. We will work with disability groups and social service agencies to ensure that households with disabled members living in inaccessible manufactured housing have access to this PRICE opportunity to modify or replace their home to reduce barriers and maximize their independence.

Across many of the MHC locations, the percentage of residents who are minorities is higher than in the overall community. In one MHC, 90% of residents are Hispanic or Latino. By including the Outreach Coordinator and Housing Navigator positions in our Red River PRICE program, we can take the time needed to give households one on one guidance and support throughout the process. We will seek qualified individuals who are bilingual Spanish speakers for both positions.

What protections will be in place for residents?

Residents of MHC are often overlooked and exploited. By building public awareness through our PRICE social media campaign and education of local leaders and residents of MHC we hope to see broad adoption of these lease protections. There is a growing trend of viewing manufactured housing communities as a commodity to be bought and sold and operated to maximize profits for owners. The practices of some of these owners have become predatory. We will ensure that all MHC acquired under the PRICE program will be operated to be affordable, accessible, and include tenant input into operating decisions.

The Red River PRICE program will promote Freddie Mac Lease protections with the resident advisory committee. The Freddie Mac provisions or similar, will be incorporated into lot leases for residents of co-op or land trust owned MHC acquired with PRICE funding. Resident input will be factored into the final lease protections adopted. We will encourage the use of these same protections in other MHC and build public awareness of the need for such protections in general.

- One-year renewable lease term, unless there is good cause for non-renewal
- 30-day written notice of rent increases
- Five-day grace period for rent payments and the right to cure defaults on rent payments
- Right to sell the manufactured home to a buyer that qualifies as a new tenant in the community without first having to relocate it out of the community
- Right to sell the manufactured home in place within 30 days after an eviction by the community owner
- Right to sublease, or assign the pad site lease, for the unexpired term to the new buyer of the tenant's manufactured home without any unreasonable restraint, so long as the new buyer or sublessee qualifies as a new tenant within the community
- Right to post "For Sale" signs that comply with community rules and regulations
- Right to receive at least 60-days' notice of planned sale or closure of the community

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

The Red River PRICE Outreach Coordinator will meet and interact with residents of MH on a routine basis. This position will be key to reaching disadvantaged residents including people with disabilities, minority households, and very low-income households. When residents are found to need supportive services the Outreach Coordinator will help connect them with available services. These may include county social services, meals on wheels, veterans' services, and senior ride services. If located in a community with public transportation (city of Grand Forks is the only one), bus passes may be provided to enable residents to access the resources they need.

Red River PRICE will make the sharing of information and resources a priority. Our Housing Navigator and Outreach Coordinator will widely share information about available financing resources with all PRICE participants. These will include USDA Rural Development Direct Loans and Grants, North Dakota Housing Finance Agency First Home Program, and Start Program, and VA loans. Red River Regional Council or one of its non-profit partners may also

apply for funding from the Federal Home Loan Bank of Des Moines' Affordable Housing Program to help reduce the cost of new homes for low-income buyers. The Housing Navigator can offer one on one assistance to help homebuyers apply for financing and navigate the process.

How will you provide opportunities to low-income individuals?

Because RRRC also does economic development work and assists entrepreneurs to start new businesses, they are uniquely positioned to assist low-income residents with aspirations to start small business do so. Examples include cleaning services, handy man/person services, lawn and snow removal services, childcare businesses, and commercial food production or catering. RRRC helps start and/or grow 10-20 businesses each year and is currently developing a small business incubator facility that includes a commercial kitchen for budding food entrepreneurs. Residents of MHC at which PRICE funding will be used for infrastructure improvements will be made aware of any related employment opportunities. Contractors hired to perform work on MHC or manufactured homes will be required to seek low-income applicants if any new hires are needed in order to complete the work. RRRC is accustomed to including Section 3 requirements in all contracts using federal funding.

Subfactor (b)(iii): Environmental Resilience (15 pts)

What significant hazards could impact your project site(s)?

FEMA's National Risk Index calculates that weather disasters will cost at least the following estimated losses to each county, per year, which includes damage to infrastructure and agriculture:³ The per capita costs of these disasters are 3x higher for rural residents living in Nelson, Pembina, and Walsh counties than more densely populated Grand Forks County. The burden of per capita costs in the underserved rural communities and areas of this region contributes to the impacts of climate injustices on low- and moderate-income households.

- Grand Forks County: \$25.9 million
- Nelson County: \$2.0 million
- Pembina County: \$5.9 million
- Walsh County: \$9.7 million

According to FEMA, the most significant hazards are: riverine flooding, strong winds, tornados, hail, cold waves, and ice storms.

Describe hazard mitigation activities you will undertake to enhance the resilience of manufactured homes or associated infrastructure.

Upon completion of the inventory and assessment of conditions, the planning, site assessments and comprehensive design will include the following types of mitigation activities as deemed appropriate on a case-by-case basis:

- Flooding threats would be mitigated through site elevation, relocation out of the flood plain, graded roads, drains, new or improved storm sewers to drain water away from structures

³FEMA National Risk Index. (2023).

<https://hazards.fema.gov/nri/report/viewer?dataLOD=CountiesanddataIDs=C38035,C38063,C38067,C38099>

- Strong winds and tornados would be mitigated with tie downs, permanent foundations, and/or emergency storm shelters
- Extreme cold/heat conditions would be addressed through energy efficient insulated doors, windows, walls, and roofs
- Environmental hazards such as dust and mosquitoes will be addressed through paving streets and proper grounds maintenance

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

We know from past events, that all future events cannot be fully mitigated. The plans of acquiring and rebuilding these MHC communities will include

Describe how your project supports LMI households that may be particularly vulnerable to impacts from weather-related hazards.

Acquiring any of the MHC identified in the priority communities would give us the opportunity to pave streets and incorporate storm water retention on site. Few of these communities have paved roads. The dirt roads turn to deep mud during the spring thaw and after heavy rain. Managing stormwater would make a dramatic improvement in the livability of these communities. Reducing and managing standing water will help reduce mosquitoes which carry viruses, such as West Nile virus, that can cause serious illness in humans. PRICE would also allow us to include emergency shelter where residents of the MHC could seek shelter during dangerous storms, and work with cities to ensure these neighborhoods are served by tornado sirens and fire hydrants.

Describe how you will use and promote weather resistant and climate appropriate materials across all project sites in your proposal.

Replacing pre 1976 manufactured homes with new highly energy efficient manufactured homes will dramatically improve the resilience of these communities during severe weather. They will improve the health and wellness of occupants, and reduce heating and cooling costs.

How does your proposal help advance Environmental Justice?

Reducing or mitigating exposure and improving protection from and resilience to environmental harms.

Historically lower income and disadvantaged people have been isolated in the least desirable areas of the communities, while wealthier people with more influence have claimed the most desirable locations. This can be seen in many of these MHCs. As noted above, few of these neighborhoods have paved streets. There are no sidewalks, few fire hydrants, and limited street lighting. They are neglected and overlooked. These are places that others in the community may not want to see, and probably don't want to visit. It is unfortunate that this is the history of so many places inhabited by disadvantaged people.

Removing MHCs from industrial areas or areas near highways, developing inclusive planning processes, and investing in MHC infrastructure improvements mitigate environmental and health hazards due to the blight, junk, and unwanted human activity in neglected MHCs. New locations, along with fire hydrants, trees, and green spaces will mitigate dust, agricultural chemicals, and risk of fire.

Expanding environmental benefits. The vision for Red River PRICE is to transform these MHC into safe, clean, welcoming places with parks, green spaces, and a healthy environmental location. We want to see the lives of residents improve and see these neighborhoods bloom into places where more people want to be. These manufactured housing communities can become assets to rural communities. The planning, outreach and education, local ownership, and investments in homeownership and replacement housing will all contribute to this transformation. Converting rental lots to homeownership lots will open a new door of opportunity to low- and moderate-income households if we can make the nice places to live.

Overcoming prior disinvestment. The application process for this program has already enabled new conversations about reinvesting in MHCs for the benefit of low- to moderate-income residents and the community as a whole that have never been had before.

We can use PRICE to change attitudes about manufactured housing and help rural communities embrace it as a viable and reliable strategy to meet growing housing demands. PRICE can change lives and places and ultimately spark changes in the approach to affordable housing for whole communities

By acquiring MHCs that have fallen into blight and converting them into resident co-ops or a community land trust, with resident leadership boards, this program aims to overcome prior exclusion that contributes to disinvestment by designing for equity, inclusion, and resident empowerment.

Subfactor (b)(iv): Community Engagement (10 pts)

How will you seek and encourage diverse stakeholder participation?

The RRRC prides itself on strong community engagement. A recently completed housing study included 14 focus groups, four brainstorming sessions, and 12 key informant interviews. During a 2021/2022 destination development planning effort community meetings were held throughout the region with 425 participants engaging in thoughtful discussion about building stronger communities as well as 500+ respondents to a public survey.

For Red River PRICE, we will form a resident advisory committee to provide direction and feedback on program policies, efforts, and accomplishments. The advisory committee will meet at least quarterly during the grant period. This PRICE application includes funding for leadership training for all resident advisory committee members. The goal is to empower them to become community leaders, and to advocate for themselves and their neighbors.

A bi-lingual Outreach Coordinator position is included in this proposal. That position will be focused exclusively on outreach to, communication with, and inclusion of residents of manufactured housing. Making connections with residents who have in large part been forgotten or ignored will take some trust building. Having a full-time outreach Coordinator will allow that person to meet, listen to, and build rapport with residents so that when we need to hear from them, they won't be as hesitant to participate. The Outreach Coordinator will also learn what needs residents have and help to connect them with relevant programs and services from PRICE and other community-based service programs.

A Housing Navigator will also be a front-line resource for residents. This position will focus on preparing residents for homeownership and qualifying for financing.

During the preparation of this PRICE application, RRRC sought input from:

- Staff from City of Grand Forks, Grand Forks County, and elected officials from the City of Grand Forks, Grand Forks County, Walsh County, Pembina County, and Nelson County.
- Representatives of the cities of Minto, Emerado, Grafton, Park River, Cavalier.
- Representatives of the Grand Forks Airforce Base and the Grand Forks Housing Authority.
- Grand Forks County Sheriff's department expressed support citing improved community stability that would result from the improvements.
- The City of Emerado Police Chief found the proposal to be a welcome approach to improving the community.
- The Grand Forks Community Land Trust could become a partner.
- The North Dakota Manufactured Housing Association was also consulted and provided helpful insights into the industry and developing trends across the state.
- A community meeting was held in Grafton on July 2, and attended by XXX individuals. Notice of this meeting was published in the regional newspaper and shared through social media. The full application was published online at the RRRC website on June 21, 2024. Paper copies of the document were made available at RRRC.

The Red River PRICE plan was received favorably by all the parties we consulted. Good questions and comments from participants have helped shape this proposal. The proposal has been designed to be specific enough to identify priority areas and activities, and general enough to be able to respond to unanticipated needs and challenges. The program needs to be able to respond to a diverse array of housing challenges with a flexible approach to improving living conditions for residents of manufactured housing and ensuring they have safe, healthy, accessible, resilient places to call home.

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

Region 4 has been highlighting the need for housing of all kinds including new construction, rehabilitation, rebuilding, senior, seasonal, and more for several years. Therefore, this proposal is well-aligned with any existing local, county, regional and even statewide plans, needs assessments, and more. Due to all this foundational work, the Red River PRICE program eagerly received broad support.

For example, the need for housing has risen to the top of regional priorities in multiple plans completed in the past two years. The Region 4 Comprehensive Economic Development Strategy (CEDS) was prepared in 2023 with a great deal of engagement with regional partners. The

CEDS is the roadmap that guides RRRC's work for the next five years. The key ideas identified in the CEDS were Prosperity, Resiliency, and Equity. We live by the idea presented by author Greg Satell, in his book *Cascades*, that small groups, loosely connected, but united by a common purpose lead to transformative change. and helps RRRC direct their efforts and investment into high priority activities that will have the greatest impact on the regional economy. Housing was identified as one of four key priority areas in the 2024-2028 CEDS.

The goal is to increase the supply of all housing options, so everyone has a place to call home, regardless of income or circumstances. One of the three strategies identified to address housing

needs is to develop a regional approach to solutions that are collaborative and adapted to each community. We have packaged this PRICE proposal in just that way developing a regional program that can be used throughout the region while at the same time directing resources into areas of highest concentration of need. Action identified in the CEDS included identifying innovative construction options to decrease timelines and address lack of contractor availability. The use of highly energy efficient manufactured homes will be a priority in our program. The use of climate resilient technologies were also prioritized in the CEDS recommendations.

RRRC and Red River CHDO completed a region wide Housing Study and Action Plan in June 2024. The study looked at existing housing data and conditions and included extensive outreach to identify pent up housing demand holding the economy back. Several findings support the efforts outlined in this PRICE application. The region is overly reliant on single family homes. The cost of new construction of single-family homes exceeds the range of affordability for over half of the region's population. The study noted that a significant number of renters in the region are cost burdened, nearly half of all renters in Grand Forks County. It identified a need for rehabilitation and repurposing of existing structures to retain and expand the housing stock. The study also recommended exploring the use of non-traditional housing options including micro homes, ADU's, and manufactured housing to help meet the needs of low- and moderate-income households.

This application also aligns with several other planning efforts, recent and currently ongoing, including: Nelson County Housing Study, 2019; Real. Good. Northeast North Dakota Plan, 2022 to 2025; Region 4 Workforce Study, 2024; Region 4 Resiliency Plan, 2022; Grafton Housing Study; and with current and ongoing development work at the Grand Forks Air Force Base and Grand Sky.

EXHIBIT E: FACTOR C – CAPACITY (20 PTS)

What experience do you have managing projects?

The Red River Regional Council (RRRC) has a 50-year track record of project ideation, development, securing funding from multiple sources, implementation, grant management, and assure grant compliance. Often, this has been done stacking multiple sources of funding to achieve the goal. Over this period, the RRRC has been a vital regional partner maintaining this specialized expertise in a regional area with 42 communities. Outside the metropolitan area of the City of Grand Forks (po. 58.935), there are five communities with populations over 1,000 people and 36 communities between 15 and 900 residents. As result of the community size and resources available, none of the rural communities have the capacity to maintain working knowledge or networks to leverage outside investment of all kinds.

Communities under 1,000 people often have a part-time city auditor and public works personnel, and many other community management roles are served by community volunteers. Often this can leave communities in most need with the least amount of capacity to access resources. The RRRC maintains this niche expertise of bringing state, federal, and private funds to small towns in northeast North Dakota and assuring compliance with any funding awards. This experience has ranged from community infrastructure, business and economic growth, disaster recovery and mitigation, and housing rehabilitation and development and more. For these reasons, the proposed regional approach is the only feasible approach to the PRICE program success.

RRRC roles and responsibilities have included:

- Monitor economic, demographic, and community trends and create broader awareness as needed on key topics
- Host community conversations to discuss issues and opportunities, educate, support, and inform networks
- Monitor potential funding sources of all kinds and new opportunities as they arise
- Advocate for policy changes that are a hinderance to small towns access program support at an equitable level
- Develop studies, strategic plans, conduct feasibility analysis in-house or with a consultant team, to address key issues and seize opportunities. Within the past three to four years, this work has included:
 - 2022 Destination Red River Plan
 - 2022 Feasibility Study for a Rural Innovation Lab and Food Incubator
 - 2022 Regional Resiliency Plan
 - 2022-2025 Workforce Attraction Plan
 - 2024 Regional Rural Housing Study and Action
 - 2024 Regional Manufacturing and Unmanned Aerial Systems Workforce Plan
 - Comprehensive Economic Development Strategy 2024 to 2028Many of these regional plans included regional collaboration and funding with numerous partners, leadership/advisory groups, extensive public conversations and gatherings with hundreds of attendees and surveys with approx. 2,000 respondents combined.
- Maintain strong in-region and external networks for the benefit of the region

- Identify opportunities that benefit from the expertise and guiding through project ideation.
- Propose regional solutions to complex issues – today, this includes housing development, visitor and workforce retention and expansion, and creating a pre-venture entrepreneurial ecosystem.
- Create cross-cutting regional alliances and collaboration.
- Coach local groups and/or community leaders to shape and develop successful projects and implementation processes.
- Establish new programs as needed as needs and opportunities arise or have longer term plans.
- Complete funding requests which have had a 95% historic track record of success.
- Ensure strong fiscal and grant management practices which meet compliance standards.
- Maintain public information channels and media relationships to inform partners, stakeholders, and the public.
- Provide fund management for volunteer community groups completing special projects or initiatives.

Red River CHDO is the key partner organization. This is a 501c3 nonprofit focused on housing and community-based projects – primarily real estate related. The RRRRC created the CHDO in 1996 to support housing development. The CHDO was idle for 15+ years and rebooted by the RRRRC in late 2022 with the hiring of an Executive Director (with 30 years affordable housing development experience) who could assist with our region’s rural housing crisis. Today, the Red River CHDO’s newly re-established board of directors includes two of the original founding board members from 1996. The CHDO contracts for their Executive Director with the RRRRC.

The RRRRC and CHDO have a dynamic relationship with staff, at this time, contracted from the RRRRC to the CHDO. The RRRRC has created a strong professional, cohesive, and passionate team with varied skillsets, expertise and experience which can be leveraged to the CHDO’s mission as well. These organizations have two separate Boards of Directors for governance, oversight, and strategic direction.

In just the past 18 months, the CHDO’s roles and responsibilities have been:

- Identified, onboarded, and trained a new board of Directors.
- Secured technical assistance from the MN Housing Partnership to redevelop the CHDO
- Secured \$85,000 from seven partner organizations for the Region 4 Rural Housing Study and Action Plan (solicited consultant proposals, selected Fourth Economy, formed Steering Committee, held 14 community focus groups, four BUILD sessions, and had 500+ public and employer survey responses). The forecast includes the need for 1,800 to 3,000 new housing units in Region 4. Completed in June 2024
- Actively pursue housing development, rehabilitation, and other housing improvements in the region which have included the following in just the past 12-18 months:
 - Prepared and submitted a \$1 million Federal Home Loan Bank application for a regional housing rehabilitation program for seniors and veterans.
 - Prepared and received two awards from the ND Housing Incentive Fund to support construction and sale of four new single-family homes (\$480,000 HIF / \$1.38 million total development cost) (construction has begun) and an 8-plex apartment building (\$1.7 million HIF / \$3 million total development cost).

- Acting as co-developer with the Grand Forks Housing Authority on two 24-unit townhouse style rentals with a total development cost of \$40 million. Providing the funding development expertise.
- Complete numerous roles around each of these projects including:
 - Develop project concept, solicit community interest, advise and educate on housing development, solicit and form banking relationships with rural banks which have not been active in new housing development and establish bank-to-bank partnerships, engage architectural firm on design and cost estimates, complete feasibility analysis and develop cost and revenue projections, provide public information via multiple channels, solicit and form relationships with builders and suppliers, develop and issue contracts, create fiscal and grant management processes, and more.
- The study and rural development projects will be used as case studies and examples of successful models for state program design for the 2025 legislative session.

References

- Amie Vasichek, Lakota City Auditor, lakotact@polarcomm.com, 701-247-2454. Chair of the Nelson County JDA. The JDA is a partner organization for the current Nelson County Housing Rehabilitation Program. Amie also serves on the Red River CHDO Board of Directors and has led a 2024 community partnership for the construction of two single family homes. The RRRC has also helped the city with CDBG projects.
- Lacey Hinkle, Mayor, City of Cavalier, laceykh@gmail.com, 701-739-9705. Mayor Hinkle is the chair of the Pembina County JDA and serves on the RRRC Board of Directors. The RRRC has completed a recent housing rehabilitation program in Cavalier as well as assisted with a CDBG grant for a handicap accessibility project at the Pembina County Meals and Transportation (PCMT) Center in Cavalier in 2017 of \$63,980. In 2023, the RRRC/Red River CHDO was co-developer on a new 8-plex housing unit (Dakota Apartments) and secured \$1.7 million to support this project and is currently providing coaching through the equity drive.
- Terry Hanson, Director, Grand Forks Housing Authority, thanson@thegfha.org, 701-746-2545. Partner on the Region 4 Rural Housing Study, co-developer of proposed 48-unit new development, supporter of PRICE application.
- David Flohr, Director (dflohr@nd.gov), and Jennifer Henderson, Planning and Housing Development Director (jhenderson@nd.gov), 701-328-8085, ND Housing Finance Agency. Both have been active in the ND Rural Housing Task Force the RRRC established in 2022 and raising awareness of decades of disinvestment and high needs of rural areas. Secured funding through the Housing Incentive Fund, Low Income Housing Tax Credit, Housing Study grants, and other programs.

What is your experience using grant funds?

The RRRC is often the link between rural and small-town projects and federal funds. For approximately 25 years, the State of North Dakota contracted with the eight regional councils to assist in the Small Cities CDBG Program implementation. The State allocated funds to each of the regions and the regional councils developed the annual program distribution statement,

solicited applications, scored and ranked applications on behalf of the state/region, and completed grant management through the project implementation with approximately 3-6 open grants simultaneously ranging from senior citizen centers, public infrastructure, water treatment plants, housing rehabilitation. The RRRC assured grantees met all the federal and state requirements relating to environmental review, procurement, Davis Bacon, fiscal and grant progress reports and close out. Also, there have been past occasions where the state awarded CDBG funds in disaster recovery and/or emergencies. These projects/programs were successfully reviewed by the ND Department of Commerce and ultimately HUD.

This practice ended in 2021 after HUD determined there to be a conflict on overall program AND project/grant administration. As result, there are 2-3 regional councils in North Dakota that have continued to be grant administrators while others have identified other development roles. Engineering and environmental firms are now also assisting at a higher level. These shifts have resulted in fewer and larger projects being awarded in North Dakota. Ms. Mandt, Ms. Estad and Ms. Stacie Sevigny with the RRRC were all part of the team managing this process.

Specific Project Example. The City of Lakota's emergency CDBG project included replacement of approximately 5,200 feet of a 10: water main transmission line that links the City's water plant and distribution system. In August 2020, the City experienced a complete loss of water, including the elevated water tower. It was determined the water main between the water plant and distribution system had ruptured and failed. The City was able to access a temporary water system via a rural water line that was never utilized. However, this was a smaller line and not a long-term solution to provide adequate water supply, pressure, and meet potential fire suppression needs. The City incurred \$90,000 in emergency costs due to the rupture and other related work. With assistance from the RRRC, the City sought emergency funds from the Governor's set-aside of CDBG for urgent need projects. It was allocated \$310,000 from the Governor's Fund.

Due to the type of project and its location in a natural wetland, an in-depth environmental review was required. The City was formally awarded the CDBG funds in January 2021. They City also applied for funds from the ND State Water Commission and loan funds via the state's Revolving Loan Fund for water infrastructure projects. The bid for the project was \$1,009,524, with CDBG providing 23% of the funding to complete the project. City Auditor Amie Vasichek led the fiscal management for the City for all sources, including CDBG, represented the city at construction meetings, approved pay requests, reviewed and approved required reporting documents, and maintained the project file in compliance with CDBG requirements.

Who are your key staff?

Key staff include:

- Project Co-Directors
 - Dawn Mandt, RRRC Executive Director
 - Lisa Rotvold, Red River CHDO Executive Director
- Lori Estad, RRRC Office and Fiscal Manager
 - Each of the RRRC and CHDO staff listed have between 15 to 32 years'

experience of rural community and economic development. The staff have been active in rural housing rehabilitation/development projects for the past 30 years that has made use of several federal and private programs including CDBG, HOME, Housing Trust Fund, USDA RD, Low Income Housing Tax Credits, Federal Home Loan Bank, Bank of North Dakota Flex PACE Program, ND Housing Incentive Fund, private bank financing, and more.

- Mitch Calkins, Lake Agassiz Regional Council, Davis Bacon and Section 3 Compliance

The RRRC is also supported by third-party CPA to complete the monthly financial statements and balances the need for an additional role for adequate separation of duties and fiscal oversight. Richard Mortenson, CPA, has filled this role for the RRRC for at least 20+ years.

We propose to hire the following positions to support the implementation of this program:

- Program manager (day to day operations and coordination of program)
- Grant Manager (fiscal management and reporting work)
- Outreach Coordinator (people, inclusion, relationship building)
- Housing Navigator (people & financing)
- Resident transition coordinator (temporary relocation logistics)
- Communications Director (p/t)

EXHIBIT F: FACTOR D - MATCH OR LEVERAGE (5 PTS)

This Red River PRICE proposal is a coordinated effort between the counties of Grand Forks, Nelson, Pembina and Walsh in northeast North Dakota, led by the Red River Regional Council (RRRC). The priority MHCs identified in this funding application are some of the most neglected in the region. They are home to some of the most disadvantaged households. Because of this targeting approach a great deal of subsidy is needed to make the necessary improvements to both the MHC and help eliminate decrepit pre 1976 manufactured homes and replace them with modern, high quality, energy efficient manufactured homes. Lot rents will need to remain affordable for these residents, making financing of the improvements difficult. Some debt may be able to be serviced but only a fraction of the total cost. A business plan for each MHC will outline the debt capacity, taking all operating costs associated with keeping up the quality and safety of the community.

Committed Leverage. To date leverage secured is limited to Grand Forks County's commitment of \$20,000. These funds are to be used to improve MHCs in Grand Forks County. County commissioners expressed willingness to entertain additional request for financial participation if PRICE funding is secured.

Additional Leverage. Upon receipt of a PRICE award, RRRC will seek site control from current owners through an option to purchase and/or a purchase agreement. Infrastructure needs will be evaluated, and cost estimates prepared. At that point city and county leaders will be approached about contributions they can make to support the specific work.

PRICE will need to be the primary source of funding for these activities. As details are developed additional funding partners will be sought. Potential options include USDA Rural Development, Bank of North Dakota, North Dakota Housing Finance Agency, North Dakota Department of Commerce, and Federal Home Loan Bank of Des Moines. Each of these entities has a competitive application cycle each year for funding to help develop affordable housing. These agencies are not able to forward commit funds so we cannot secure committed leverage at this stage. However, RRRC and RRCHDO staff have a strong track record in securing funding for new developments from these sources. The scope of this PRICE proposal is very likely to match well with the other programs' priorities and scoring criteria. These factors make preparing competitive applications a viable but not guaranteed strategy. The unknown challenge is how much money they will have available in any given year, and what other funding requests will we be competing against. All of these are highly competitive programs, but it is realistic that additional leveraged funds could be secured for specific MHC projects. The six-year grant period will give us the opportunity to comment on the state's Consolidated Plan, and advocate for funding priorities that support this type of work.

What is your contingency plan for addressing funding risks?

Risk management. If a PRICE funding award for less than the full amount requested were received, the scope of the project could be revisited and scaled back. We will work to prioritize

the MHCs in the poorest condition but would not be able to do as many units. The replacement of pre 1976 MHs would also need to be scaled back. All the MHCs identified in this application as potential project sites are desperately in need of improvements, but we will do as much as we can with any funds awarded. We would NOT want to scale back on the outreach coordinator or housing navigator positions as they are critical to the long-term success of residents.

On the MH resident side of the project, buyouts of obsolete homes, and soft loans for acquisition of new units will be essential to the success of low-income residents. If a reduced award were received, we would again look at reducing the number of households we can help. An evaluation of the best MHCs to pursue will include consideration of available funding for residents needing financial assistance to improve their housing conditions. Residents would be offered a buyout which they could then put toward a new manufactured home. They would need to secure a loan based on their capacity to pay. The total monthly housing payment for these households would be limited to 30% of monthly income, including the house payment, lot rent, utilities, taxes, and insurance. PRICE funds will be needed to fill the gap for very low-income buyers for them to fully finance a new home.

Our estimates are based on a new manufactured home priced at approximately \$120,000, buyout of approximately \$35,000, reduced interest rate loan through USDA RD for \$30,000 to \$60,000, and a silent second loan of PRICE funding filling the gap. We would again look at opportunities presented by other funding partners. Not all will fund manufactured housing, but most will fund them if they are placed on permanent foundations and become real property. Under the plan in this application, some of the lots preserved by Red River PRICE can be converted to ownership opportunities.

EXHIBIT G: FACTOR E - LONG-TERM EFFECT (10 PTS)

This Red River PRICE proposal is intended to make the biggest bang for our buck. We will prioritize transforming the oldest and most blighted MHCs in the region into safe, healthy, desirable places to live. Further, we will eliminate as many pre 1976 manufactured homes, supporting a healthy, safe future for people living in these obsolete and unsafe homes.

We will empower low-income households with financial fitness, homebuyer education, and leadership training for members of the resident advisory board. Red River PRICE will also promote manufactured housing as a good quality affordable housing alternative for cities on the grow.

In six years, you will see three to five previously blighted MHCs owned by local co-ops or community land trusts, with paved streets, streetlights, fire hydrants, broadband infrastructure, storm water management, and updated electrical service, with lots leasing at an affordable price. You will find a business plan for each MHC projecting income and expenses for the next 30 years, with reserves being set aside for unexpected repairs. You will find an operations and maintenance manual to guide operators through routine maintenance and schedules for required services. You will not find obsolete and unsafe pre 1976 manufactured homes in these MHCs. You will find 250 new Energy Star and Zero Energy Ready manufactured homes and homes that are designed to be handicapped accessible. You will find residents who are safe and warm in the winter, and residents who are getting rental assistance through the Housing Choice Voucher program because their homes now meet the housing quality standards. You will find low-income residents who have contributed to the improvement of their lives through education and financing their new homes. You will find safe conditions in the MHCs with new homes properly set and anchored with tie-downs or set on permanent foundations. You will find silent second mortgages supporting new homeowners. You will find owners of new multi-section manufactured homes set on permanent foundations who have been able to add garages and landscape yards that they own. You will find engaged property management, and lease protections prohibiting predatory management practices. You will see happy healthy children at new playgrounds, and designated dog parks for owners exercising their pets. You will find security cameras. You will find adults and children with high-speed internet access helping them succeed in school and in life. You may even find a few new small business owners, who got helped getting started from RRRC and their small business and economic development programs and partners.

In 10 years, you will still see affordable lot rents at modern, safe, healthy MHCs helped with PRICE funding. You will see even more new manufactured homes and fewer older manufactured homes. You will see parks and outdoor spaces that support the community. You will see pride of place. You will find site management and residents engaged in decision making. You will find that there are fewer police calls. You will find additional manufactured housing in friendly neighborhoods with more affordable new homes on lots owned by the residents and financed with traditional mortgage financing. You will see growing communities with employers who

have expanded due to community growth made possible by increasing the availability of quality affordable housing. You are very likely to see new market rate development in the area.

In 20 years, you will still find affordable lot rents in modern safe, healthy MHCs helped with PRICE. You will see engaged property management and lot lease protections that prohibit predatory management practices. You will see repairs being made, using funds reserved over the years from lot rents. You will see established resident leadership contributing to management decisions. You will see even more homeownership in the form of new manufactured and modular housing on permanent foundations and financed with traditional mortgage financing. You will see pride of place. You will see fewer police calls. You will see healthy community growth and an acceptance of manufactured housing as a quality affordable housing option. You will see manufactured homes on permanent foundations selling on the open market at affordable prices, and original owners “moving up” to their next home, making room for another family starting out. You will see a PRICE investment that has changed lives and communities for the better.

In 30 years, you will still find affordable lot rents in these modern safe, healthy MHCs that were helped with PRICE. Kept affordable under land use restrictions agreed to in this price application.

Red River PRICE will extend the affordability period of MHCs funded with PRICE funding to 30 years. This deed restriction will be recorded and will transfer with the property if sold during the affordability period. Ownership of the MHCs will be by a local co-op or community land trust with a mission to provide affordable housing. The mission aligns with the goal of keeping lot rents low while allowing management to set aside reserve funds for future maintenance and repair. The co-op model will have resident members making decisions about the lot rents and management of the MHC. The community land trust model will be a non-profit model with no earnings being distributed to any member. The community land trust model will set lot rents at a break-even level – that will include setting aside reserves for future maintenance.

This Red River PRICE program aligns with several of HUDs Strategic goals.

Strategic Goal #1C:

Invest in the Success of Communities. We will make investments in the most disinvested MHCs in the region, which are home to very low income and underserved residents. The opportunity for these residents to become homeowners will offer an opportunity to build wealth. The support from the Outreach Coordinator and Housing Navigator will help these underserved individuals learn about the process, and the benefits of being a homeowner, explain the financing process, and assist them in securing their share of financing. Monthly housing payments, including house, lot, insurance, taxes, and utilities, will not exceed 30% of monthly income. Residents will be offered financial fitness classes and home buyer education. A resident advisory board for the Red River PRICE program will invite 12 residents from around the region to provide insights and feedback to program managers to help maximize the community benefit of this PRICE investment. Members of the advisory board will receive leadership training to boost their skills and support them in their role.

Strategic Goal #2A:

Increase the Supply of Housing. Red River PRICE will increase the supply of housing by investing in significant improvements to MHC in very poor condition. Because of the extremely poor conditions many of these MHCs have vacant lots. Once the community is acquired and infrastructure improvements are

made these lots will be functional, attractive, and affordable, which will provide additional homeownership opportunities to low-income households.

Strategic Goal #3A:

Advance Sustainable Homeownership. By using PRICE funding and leveraging additional resources, Red River PRICE will help residents of MHC finance their new home in a sustainable way. First, residents of pre 1976 manufactured homes will be offered a buy-out (based on appraised value) which will give them equity to invest in a new home. Second, residents will apply for USDA RD reduced interest financing in an amount that ensures that their monthly housing payment, including house, lot, taxes, insurance, and utilities, does not exceed 30% of their monthly income. Third, PRICE funding will be used to make a soft second loan to fill the gap between the equity and loan the resident has and the purchase price of the new home. By sizing the debt to ensure long term affordability, they should be able to successfully sustain their homeownership.

Strategic Goal #4A:

Guide Investment in Climate Resilience. Energy Star and Zero Energy Ready certified manufactured homes will be prioritized when financed in part with PRICE funding. These highly energy efficient homes will provide year-round comfort while keeping utility bills low. Adequate tiedowns will be a part of every installation. As funds allow emergency storm shelters may also be built in MHCs receiving PRICE funding.