



# STAFF REPORT – CITY COUNCIL MEETING

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June 21, 2023

**TO:** Honorable Mayor and City Council Members

**FROM:** David Loya, Director of Community Development

**PREPARER:** Susan Diehl McCarthy, Community Development Specialist

**DATE:** June 06, 2023

**TITLE:** **Adopt Resolution No. 223-63, a Resolution of the City Council of the City of Arcata Authorizing Application for a Manufactured Housing Opportunity and Revitalization (MORE) Program Grant up to \$3 Million.**

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## **RECOMMENDATION:**

Adopt Resolution No. 223-63, a Resolution of the City Council of the City of Arcata Authorizing Application for a Manufactured Housing Opportunity and Revitalization (MORE) Program Grant up to \$3 Million.

## **INTRODUCTION:**

The California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) on May 2, 2023 for a new HCD program: the Manufactured Housing Opportunity & Revitalization (MORE) Program. MORE provides funding for several Mobilehome activities. Staff recommends the Rehabilitation or Replacement activity as most beneficial to Arcata Mobilehome Owner-Residents.

## **BACKGROUND:**

The City of Arcata has worked with mobilehome park owners and managers, and with individuals occupying mobilehomes as owners or tenants, on local regulations for rent stabilization and affordability since 2015. The City currently provides Tenant-Based Rental Assistance to 35 mobilehome households which require inspections. Over this time staff have observed mobilehomes which require repairs, rehabilitation, and accessibility and energy efficiency improvements.

In a recent conversation, the local HCD State Inspector for Mobilehome Park Maintenance stated that there are hundreds of health and safety violations in Arcata, from minor to more serious.

Note that after awards are made, MORE will provide their approved resolution template to accept the funding and implement the program.

## **DISCUSSION:**

The MORE Program is a new program launched this year with \$65 million in funding from the Mobilehome Park Rehabilitation and Purchase Fund. \$13 million is available to rural areas. There are three eligible MORE activities:

1. Section 300—Mobilehome Park Acquisition, Conversion, Rehabilitation, Reconstruction, or Replacement.
2. Section 301—Remediation of Mobilehome Park Act Deficiencies or Violations.
3. Section 400—Rehabilitation or Replacement of Resident’s Mobilehomes. This is the section under which staff proposes to apply.

Funds for Section 400 Rehabilitation or Replacement of Resident’s Mobilehomes are granted to a local jurisdiction, who then grants funds to income-qualified owner-residents individuals for rehabilitation or replacement of their mobilehome. Cost estimates for rehabilitation and replacement must be provided by qualified professionals.

Applicants are sorted into three pools of priority uses, funded in order of priority:

1. Owner-Residents who have one or more notices of violation from HCD, the State’s enforcement agency, requiring repairs or alterations under Title 24 of the California Code of Regulations, §1606.
2. Owner-Residents with mobilehomes with substandard conditions under Title 24 of the California Code of Regulations, §1606, detailed by a report from a licensed C-47 Manufactured Housing Contractor, licensed architect, or licensed engineer.
3. Owner-Residents with mobilehomes which need accessibility upgrades (such as ramps or wider interior doorways) or energy efficiency upgrades.

It is difficult to determine the costs for remediating notices of violation, but it is estimated they would not be less than \$25,000. Some mobilehomes would likely require replacement as the cost for repair would be higher than the replacement cost. Relocation costs are also covered by the MORE Program.

Based on previous mobilehome replacement costs, it is estimated that mobilehome replacement costs would range from approximately \$150,000 to \$200,000. If the highest estimate is used, at least 15 owner-residents would be assisted by the program. If the average cost is \$100,000, at least 30 would be assisted.

Draft MORE Program Guidelines will be brought to City Council for review and approval upon award.

### **ENVIRONMENTAL REVIEW (CEQA):**

The application, award, and subsequent projects associated with the MORE grant are exempt from CEQA. The application and award process is not a “project” as defined by CEQA since the grant does not have an effect on the environment and because it does not involve a commitment to any specific project that may result in a potentially significant physical impact on the environment. The individual projects will receive environmental review when they are identified, but staff anticipates all projects will be either exempt as ministerial projects (CEQA Guidelines §15268) or as existing facilities or replacement and reconstruction (CEQA Guidelines §15301 and §15302, respectively).

### **BUDGET/FISCAL IMPACT:**

Seventeen percent (17%) of the grant award may be used for Administrative Costs. This includes general administration as well as costs incurred to provide information and materials to potential applicants.

**ATTACHMENTS:**

A. Resolution No. 223-63 (PDF)