

Need & Project Area

The Louisiana Housing Corporation (LHC) plans to administer a statewide competitive application process. The project area will encompass the entire state, with preference to certain parishes. Throughout the state, there are 1,748,688 household units. Out of this total, 582,830 units are renter-occupants. Thus, of all Louisiana households, renter occupants comprise approximately 33% of available household units. According to the 2023 State Housing Profile, Louisiana faces a shortage of affordable available rental homes for extremely low income renters by -107,966. A total of 71% of extremely low income renter households are experiencing severe cost burden.

Fair market rent (FMR) is determined for zero to four bedrooms and is based on state-wide area median income (AMI). Currently, the fair market rent ranges from a zero bedroom for \$748 to a four bedroom for \$1,513. The state-wide AMI for Louisiana is approximately \$75,569. Despite this, the estimated median renter makes approximately \$35,078. Breaking this down, the median renter in Louisiana makes roughly \$2,923/monthly gross income. Considering 30% AMI, this monthly renter's income translates to an affordable median rent of \$877/month. Taking into account the affordable median rent, those median renters can only afford a zero or one bedroom. This is concerning as the FMR, based on the statewide AMI, states that a zero to four-bedroom apartment should range between \$748 and \$1,513. Clearly, rent within Louisiana is not entirely affordable. The average rent in Louisiana is \$984, however approximately 1/3 of renters are paying on average \$1,000-\$1,499. In addition, 32% of renters are categorized as extremely low-income.

Manufactured housing is a key solution to acquiring and sustaining affordable housing within the state. Within Louisiana, there are approximately 260,000 mobile homes. Mobile homes make up 12.5% of all available housing within Louisiana. Manufactured homes are in various geographies throughout the State – rural, suburban, and urban areas. The average statewide cost of a mobile home is \$180,000.

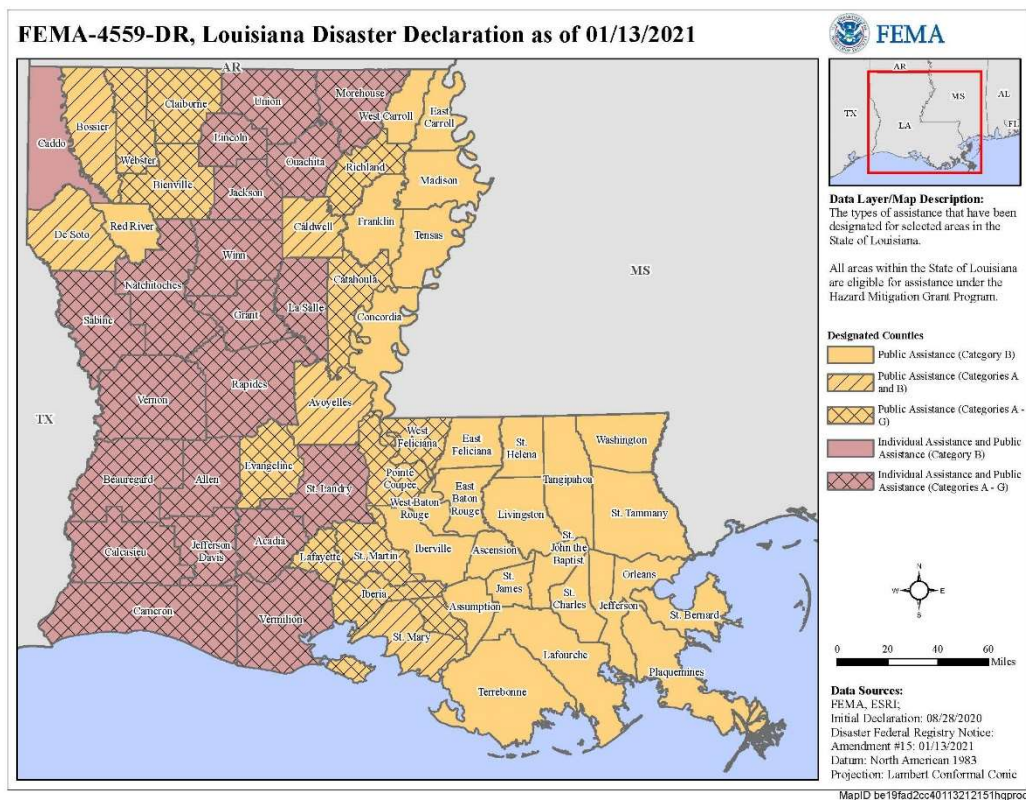
Many of the mobile homes throughout the State are in need of repair due to natural age and damage caused by disasters. Several communities and individual homes are also in need of substantial infrastructure upgrades such as water systems, road systems, and wastewater.

Distress Criteria

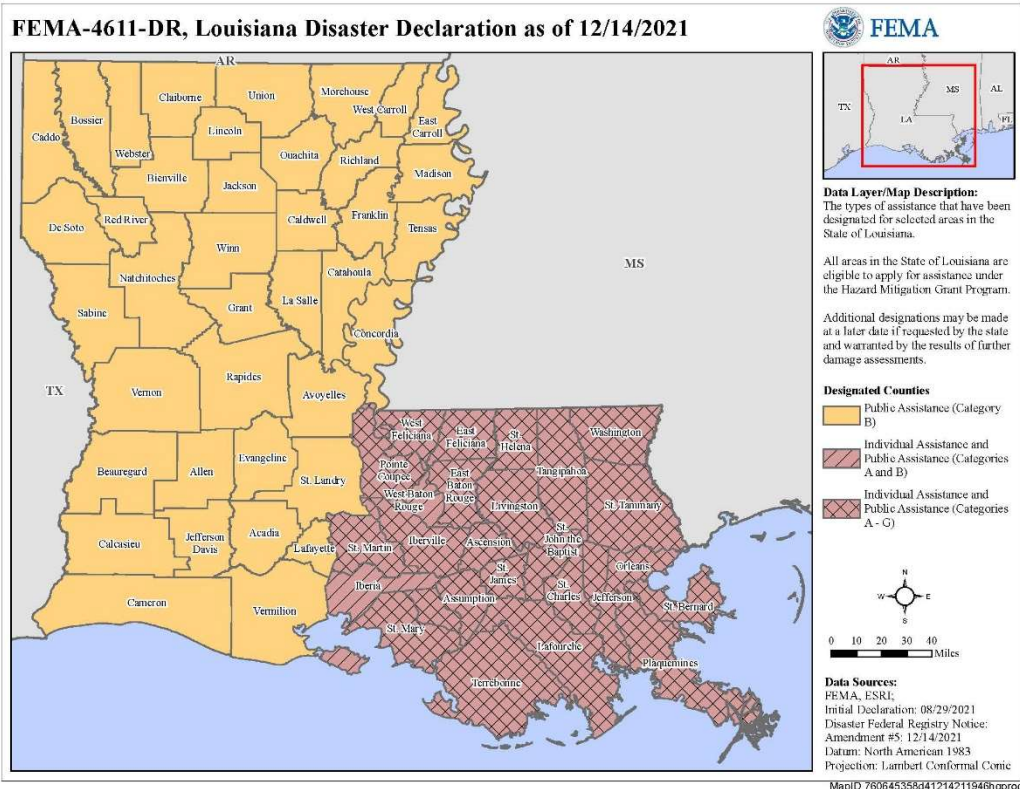
Louisiana faces a poverty level of 850,486 residents of a population totaling 4,438,858 residents. Approximately 19.2% of Louisiana's population is below poverty level.

Our last statewide needs assessment indicates 6 out of every 1,000 households lack adequate kitchen facilities, 4 out of every 1,000 households lack adequate plumbing, and 28 out of every 1,000 households lack phone service.

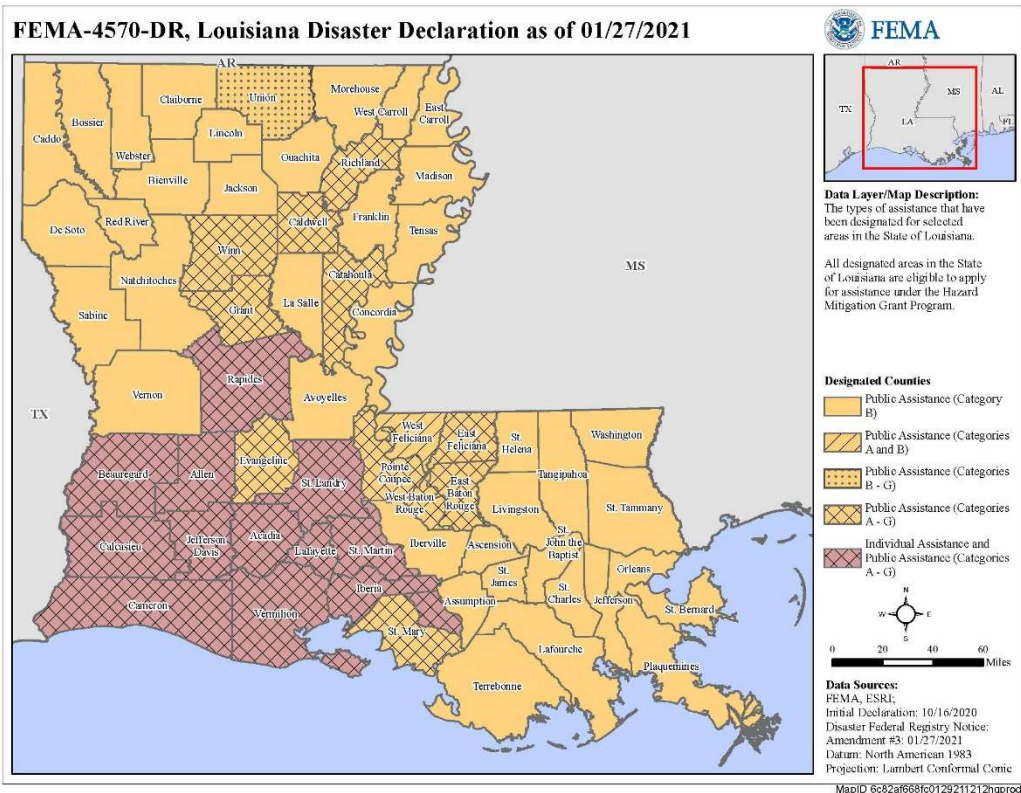
Resiliency in these zones



The State has multiple identified FEMA Community Disaster resilience zones. In an effort to advance resiliency measures, the LHC would plan to require IBHS FORTIFIED Program standards. The project areas in need are the parishes affected by Hurricane Laura, Hurricane Delta, and Hurricane Ida. Those parishes include the following: Acadia, Allen, Ascension, Assumption, Beauregard, Caddo, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, La Salle, Lincoln, Livingston, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Union, Vermilion, Vernon, Washington, West Baton Rouge, West Feliciana, and Winn. Of the disaster-prone areas, poverty level of residents ranges between 8.3% and 30.1% with an overall average of 18.5% of residents below poverty level.



Each parish listed above have been identified by FEMA as disaster-prone areas and have experienced disasters. Hurricanes have been a historical hazard to the state immensely impacting the availability of housing. According to the National Hurricane Center, Hurricane Laura caused, in Louisiana, wind damage to buildings and trees and storm surge damage was major to catastrophic across Cameron and Calcasieu parishes, with considerable damage occurring where the core of the hurricane passed across Beauregard and Vernon parishes.



Approximately 10,000 homes and other structures were damaged from fallen trees or the winds in Jefferson Davis, Acadia, Lafayette, Saint Martin, Beauregard, Allen, Evangeline, Saint Landry, Vernon, Rapides, and Avoyelles Parishes, Louisiana. Hurricane Laura was estimated to have caused \$17.5 billion in damages, and 46,000 homes were damaged or destroyed. Hurricane Delta, according to the National Weather Service, experienced rainfall of 12-18 inches occurred across Central and Southwest Louisiana where the core of Delta passed over. The highest measured rainfall of 17.57 occurred 3 SSE of Lebleu Settlement, LA in Calcasieu Parish. Hurricane Delta was estimated to have caused \$2.9 billion in damages while Hurricane Ida caused approximately \$55 billion in damages. An estimated 6,000 homes were damaged or destroyed from Hurricane Delta, and there are 460,000 insurance claims from Hurricane Ida alone. These three hurricanes span from August 2020 to August 2021 totaling \$75.4 billion in damages with 512,000 homes destroyed or in need of repair.

Barriers to manufactured housing preservation or revitalization in the project area

A lack of resources and investments for families to make improvements and repairs on existing properties. Many times households have to use high cost credit cards or other means to make improvements which causes a cost burden on the families.

Additionally providing consumers accurate information about the availability and safety of manufactured housing is lacking. Consumers need to be educated about manufactured housing as a viable solution to stable housing.

LHC is working to address barriers that may prevent the preservation or revitalization of manufactured housing across the state. Regulatory barriers in the zoning and permitting process in some local communities may produce obstacles for the use of manufactured housing as a tool to expand affordable housing options. Some communities have imposed restrictions regarding the use of manufactured housing in their communities. Manufactured homes must be built according to HUD minimum standards. Dependent on the builder, some may exceed these standards.

SOUNDNESS OF APPROACH

Project Description, Management, and Impact (10 points)

Vision and Goals

The LHC's vision is to hold a statewide competitive application process for PRICE funding with the goal to support projects by eligible applicants to preserve, revitalize, stabilize, and improve material conditions of manufactured homes, Manufactured Housing Communities (MHCs), and residents through partnership agreements. Preservation of manufactured housing will support the overall vision of increasing the affordable housing stock available to Louisianans. It will also bolster economic development as affordable or workforce housing is necessary for businesses to grow and thrive, particularly in suburban and rural areas of the State. Priorities would be given to homes and/or communities that are prone to natural hazards such as flooding as well as those applicants that can identify the greatest need.

Eligible activities

The LHC intends to facilitate a statewide competitive funding opportunity to solicit applications from units of local government, planning district commissions and other regional entities, nonprofit organizations, and resident controlled manufactured home communities or cooperatives that are eligible for PRICE funding. LHC will create a pool for loans and grants to fund:

LHC also proposes to launch a single family purchase initiative in conjunction with its current mortgage revenue bond program, to assist low to moderate families obtain homeownership. Because the costs of manufactured housing is less than stick built homes, this is a viable option to be able to attain homeownership.

Additionally, in order to maintain the existing stock of manufactured homes and improve the condition of the existing mobile home stock, LHC plans to launch a renovation, rehabilitation, and upgrade program to extend the life of many manufactured units currently in service.

- The construction, replacement, rehabilitation, repair, or preservation of manufactured housing units including through:
 - Construction of modular or manufactured housing
 - Repair, rehabilitation, or reconstruction of units
 - Improvements to accessibility
 - Acquisition of manufactured housing units, MHCs, or lots on which manufactured units are sited
- The installation or improvement of infrastructure that serves manufactured housing communities including:
 - Utility lines and hookups
 - Broadband
 - Public facilities
- Improvements to resilience to natural disasters at manufactured housing communities through:
 - Enhancing the resilience of infrastructure to extreme weather, natural hazards, and disasters
 - Installing flood and drainage improvements
 - Weatherization and safety enhancements on manufactured home units
 - Testing and remediation of contaminants
- Voluntary support services:
 - Relocation assistance
 - Housing mobility counseling
 - Eviction prevention
 - Down payment assistance, homebuyer education, and appraisal programs
 - Assistance with converting MHCs to resident-controlled entities
- Technical assistance and capacity building
- Administrative costs

LHC will develop program guidelines, application questions, and a scoring matrix in alignment with its Consolidated Plan, available data from the needs of MHCs and manufactured/mobile housing throughout the state, and input from stakeholders.

LHC will continue conversations with the manufactured home financing companies and banks in the development of programs supported by the PRICE initiative to both increase the manufactured housing stock and rehabilitate improve the condition of the housing stock.

For multi-unit projects, sub-recipients will be required to submit specific supporting documentation, including a budget and project plan that identifies their municipality's greatest need and projected costs to support the plan. Applicants will be required to show that their projects will meet one of the Community Development Block Grant (CDBG) National Objectives and that they will be able to maintain a minimum of fifteen years of affordability of manufactured housing

units, with preference given to projects which demonstrate a mechanism for longer affordability timelines.

Subrecipients of LHC PRICE Funding will be required to establish the following:

- Design a rehabilitation program that achieves local goals, maximizes the impact of limited funds, targets the program to the neediest and streamlines program administration
- Establish a recordkeeping system
- Establish minimum property standards to ensure that when the rehabilitation is completed, the property meets an acceptable standard and will remain in safe, sanitary, and decent condition for a reasonable period
- Establish contractor qualification criteria to ensure that contractors working in the rehab program can complete the assigned work in a timely and professional manner as well as develop a pool of contractors to carry out the work
- Develop income eligibility criteria to ensure that the program is designed to meet the Low to moderate income (LMI) National Objective for housing activities
- Establish methods for publicizing the program to ensure that those people for whom the program is designed are aware of the available assistance
- Develop procedures for accepting and reviewing applications for assistance
- Verify the ownership of the housing to ensure that the applicant is the current owner of the home to be rehabilitated
- Verify and determine income eligibility to ensure the household of the assisted dwelling meets income limits
- Inspect property to develop preliminary cost estimate
- Develop a written description (specifications) of the rehab work so there are no misunderstandings between the owner and the contractor. The owner of the unit must approve the specifications
- Establish procedures for selecting contractors (i.e., bids)
- Develop methods of monitoring the work and issue change orders when necessary and making final inspections and payments

Rehabilitation of manufactured housing is important not only to provide decent and safe housing but also for energy-efficiency purposes. Many older manufactured homes are not energy efficient which results in increased utility expenditures and exposure to extreme temperatures. In addition, manufactured homes in need of repair are often unable to receive WAP energy efficiency measures due to the poor conditions of the home, and therefore reside on the weatherization program's deferral list until the issues are remedied. Since all manufactured homes are eligible for weatherization, including those that predate 1976, the PRICE funding will support improving these conditions and moving these residents off the deferral lists so their homes can be weatherized.

Replacement will be considered when the cost to rehabilitate the home would be more than 50% of the value of the home. It will also be considered if the age of the home is prior to 1976. New and used manufactured homes will be considered for replacement to be most cost-effective. It is estimated that the cost to replace a home will be approximately \$100,000. While the average cost to rehabilitate will be \$30,000 per home. With the funding requested in this application, it is projected that LHC will help repair approximately 150 manufactured housing units and replace 45 units. In addition, it is projected that manufactured housing communities will be impacted through

infrastructure improvements. Considering the demographics of households occupying manufactured homes, LHC will be serving those most in need in our community; low-income, elderly, disabled and allowing the households to obtain and maintain affordable housing. Eligible beneficiaries will be required to have an income at or below 80% of the area median income.

As discussed above, manufactured and mobile housing in Louisiana serves an extremely important role in the housing ecosystem by providing naturally occurring affordable housing units to low-income families across the State. However, many residents still struggle with the quality, affordability, and accessibility of their homes.

LHC will prioritize housing quality issues that accompany this aging housing stock in order to keep residents housed in units that are currently available to them but are deteriorating. Through the repair, rehabilitation, and reconstruction of existing units that were built after 1976, and the replacement of units constructed before 1976, LHC will preserve and/o increase the number of units that are already affordable to their residents. As a part of this activity, LHC can also address two emerging matters of concern—an aging population and increasing pressures from natural hazards and extreme weather.

LHC will also fund installation of new, affordable manufactured housing units. These units have already been shown to provide a naturally occurring affordable housing option for many of Louisiana's lowest-income households. In areas where traditional housing developments may be too expensive or the lack of affordable housing developers leads to a dearth of housing possibilities, the installation of new manufactured housing offers promise for the provision of much-needed affordability.

Next, LHC will fund projects that install or improve infrastructure in manufactured home communities. In particular, water and sewer systems are often lacking in MHCs, and data shows that many manufactured home residents are not connected to public sewer systems which speaks to their need in rural and suburban areas of the state. Further, stakeholders have shared that with redevelopment of MHCs already in planning or predevelopment stages, a significant portion of the hard costs of projects are directly related to the minimal capacity of rural water and wastewater systems. LHC could help to improve existing systems or create new portions of these systems with PRICE funding.

Voluntary support services, technical assistance, capacity building, planning and administrative costs will be eligible for funding in tandem with one of the above listed activities, with an emphasis on minimizing displacement of current MHC residents and a requirement to serve households with incomes at or below 60% of the Area Median Income. As stated previously, LHC will preference projects that can demonstrate an ability to create longer-term affordability guarantees. This could include enforcement structures such as sites placed into land trusts with affordability restrictions on lot rents and household incomes, sites where the homes can have resale restrictions enforced with deeds of trust or conversion of manufactured home parks into cooperatives with language requiring affordability in their Articles of Incorporation.

LHC will work in partnership with any Public Housing Agencies (PHAs) within a project area and/or LHC's statewide voucher program administrators to develop adequate criteria to ensure

PRICE-funded activities result in voucher-eligible housing units and that any management entity is trained in the process of accepting vouchers as lot rent payments or homeownership vouchers as currently eligible within the voucher programs.

Timeline and key tasks

- **Estimated Project Start Date:** October 2024 after expected issuance of awards
- **Public Input Sessions on the Development of Statewide Program:** November-December 2024
- **Development of Program Guidelines, Application Questions, and Scoring Matrix:** January-June 2025
- **Round 1 Application Period and How-To-Apply Workshops:** July-August 2025
- **State Application Review:** September-December 2025
- **Contract Negotiation:** January-March 2026
- ***Optional Round 2 Application Period and How-To-Apply Workshops:** July-August 2026
- ***Optional Round 2 State Application Review:** September-December 2026
- ***Optional Round 2 Contract Negotiation:** January-March 2027
- **Required Obligation of All Funds:** September 2027
- **All Construction Projects Completed:** September 2031
- **Close-Out Period:** January-September 2032
- **Required Expenditure Deadline:** September 30, 2032

Budget

The Louisiana Housing Corporation requests a total of \$10 million with 10% set aside for administration. \$1 million in administration costs will cover salaries and related costs for two full time equivalent (FTE) employees over the course of 8 years, or until all funds must be expended in 2032. Dependent upon additional input and feedback from the public hearing(s) and stakeholder feedback, the remaining \$9 million would be provided as grants and /or loans to eligible sub-grantees or individual applicants to either rehabilitate or increase housing stock using manufactured housing who meet the criteria established in the funding cycle. It is anticipated that the competition will be divided into two years of application cycles, with \$4,500,000 offered each year. Any unallocated funds will roll over to the second year, potentially increasing the total available amount in the second cycle.

Projected impacts of implemented activities

LHC expects that multiple projects will be selected for the \$9,000,000 PRICE grant funds. These projects are projected to increase their community's access to safe, sanitary, and affordable housing. As noted above, Louisiana's older residents of rural localities are disproportionately impacted by risks of extreme weather events, incidence of disability, and high housing costs for low-quality living quarters. LHC intends to offer interested and eligible applicants an opportunity to expand on the work they are already performing in their communities.

- **Questions asked:**
 - Clearly describe increased opportunities to:
 - Access quality affordable housing,
 - Enhanced resilience of manufactured and other homes,
 - Enhancements to MHCs (e.g., infrastructure and services provided),
 - retention of or increases to the availability of unsubsidized affordable housing, and
 - Overall benefit to the community or project area you wish to support.

Affordability and Equity

LHC will ensure the affordability of housing to low-moderate income households by rehabilitating and replacing homes only rented or owned by those at or below 80% AMI. Income will be verified to ensure that the household to be assisted meets income limits. LHC will work with community groups and local PHAs to ascertain and understanding the housing needs in their communities.

Homeowners seeking rehabilitation will be required to approve the scope of work on the home and can select contractors to bid on the work. This involvement of the homeowner will ensure the homeowner is engaged and provided choice in the rehabilitation work. In addition, subrecipients will be required to develop grievance procedures that are provided to homeowners and followed when there is complaint regarding the work and/or project.

Subrecipients will be required to develop and enforce agreements pertaining to periods of affordability. Owners must adhere to the 15-year period of affordability for all activities proposed in this application. This will be monitored by LHC through regular inspections and auditing of subrecipients.

The Louisiana Housing Corporation Price-funded program will require that participating lenders and banks go through a training program to understand how to implement the program and demonstrate their ability and capacity to successfully determine income of residents or program beneficiaries by outlining the organizations previous experience with income-qualification programs such as CDBG or other Federal or State housing programs and rental voucher programs. Individual applicants/prospective homeowners will be required to complete a HUD-approved homebuyer education program to ensure they understand both the acquisition and maintenance required for homeownership.

Preference will be given to Applications which provide for park or land ownership opportunities for residents, or land ownership held by an organization which records affordability provisions through deeds of trust or other organizational documents.

Environment and Resilience

Addressing Hazards

Our statewide program will focus on the installation, rehabilitation, and repair of mobile and manufactured home units across the state as well as infrastructure installation, repair, and enhancement. Part of LHC's scoring criteria will address whether the applicant has identified environmental and climate risks in their project area and how they intend to address those hazards. LHC will fund projects that include environmental remediation and resilience efforts, as well as projects that provide improvements to units in order to rectify hazards they are experiencing presently, as well as prepare for potential future hazards. LMI households living in manufactured home units will benefit from these activities which may improve the environmental quality and safety of their homes and their MHCs more generally. We will request information from applicants regarding repetitive losses and recent events in their project areas and ensure that those who have experienced repetitive or recent losses address the potential for future losses and use weather and climate appropriate materials and other strategies such as raising units to prevent future losses.

Environmental Justice

Environmental Justice is a movement which acknowledges the ways marginalized communities, typically those of low financial means, immigrant communities, and/or communities of color, have been harmed by proximity to potentially harmful land uses such as hazardous waste pollution or resource extraction, or have been harmed by the loss of land or resource rights. LHC already administers programs which remediate household lead hazards, upgrade or install wastewater projects, create indoor plumbing improvements for LMI homeowners and renters, and reimburse property owners whose land or structures have been damaged by flash flooding, all of which are results of the disparate impact that environmental injustice has caused poor or marginalized communities. By prioritizing projects that serve LMI households and those that remediate or prepare for environmental hazards, this program will reduce the exposure to environmental health hazards experienced by low-income families.

Recipients of PRICE funds shall review land use plans (comprehensive plans), American Communities Survey data, and U.S. Environmental Protection Agency EJ webpage to make an informed decision about infrastructure, rehabilitation, or installation of manufactured housing at each site-specific location during the environmental review process. Additionally, the environmental review record must include evidence that the site or surrounding location does not have adverse conditions and that the proposed action will not create an adverse and/or disproportionate adverse impact on minority or LMI populations, source:

<https://www.hudexchange.info/programs/environmental-review/federal-related-laws-and-authorities/>.

With the infusion of PRICE funding for infrastructure, LHC will ensure public water and sewer is utilized in accordance with local ordinances. The development of clean water and wastewater infrastructure is critical to comply with environmental justice. PRICE funding will bring critical resources to disadvantaged communities that have been overburdened by legacy pollution and environmental hazards.

In alignment with HUD's goals, LHC utilizing PRICE funds will increase housing supply and affordability for LMI persons statewide. By further promoting Section 101(c) of Housing and Community Development Act of 1974, as amended, 24 CFR part 570, for the "development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."

LHC will remove housing barriers unique to low-income individuals, promote communication between state and local government, and utilize data to measure progress.

Community Engagement

We will work in partnership with the Louisiana Manufactured Housing Association, local and parish municipalities as well as public housing associations, regional and state banks, and mortgage companies. It will be a multi-faceted endeavor to ensure that the individual needs of the difference sections of the state are addressed. We anticipate that individuals across the state will offer input through virtual meetings in addition to the public hearing(s).

The Louisiana Housing Corporation will design an application process for statewide PRICE funds that requires information provided by applicants to address their localities adopted plan and policies with regard to safe, affordable housing and retaining MHCs as a housing option.

Capacity

LHC is the statewide administrator of HOME Investment Partnerships (HOME) and National Housing Trust Fund (NHTF) funding programs and has significant experience over the lifetime of those programs funding infrastructure and home construction projects. In addition, LHC has a partnership with the Louisiana Office of Community Development in the administration of CDBG funding programs statewide. This includes evaluating competitive applications for feasibility of all activities proposed, working closely with units of local government as sub-recipients and private, non-profit organizations as sub-grantees, and closeout of federal and state grant programs and fiscal years. LHC has a homeownership division with participating lenders who are experienced in managing federal program with assistance provided to low to moderate income borrowers. Additionally many lenders are interested in partnering with manufactured housing developers as way to promote additional homeownership opportunities.

Key Staff

LHC's key staff for PRICE funding include permanent staff whose roles already encompass federal grants management experience for infrastructure, community development, and housing development projects statewide, assigned fiscal management team members, and the executive leadership of the community development and housing team, as well as policy and legislative affairs team. The team will be composed of rental and homeownership experts in addition to support and program staff.

Experience promoting racial equity

LHC has an active Homeownership Think Tank that we engage persons across the state to speak regarding housing issues specific to persons of color. LHC plans to use this platform as well to inform and engage participation in the PRICE initiative.

Experience completing environmental reviews

LHC has extensive experience with the environmental review process. Environmental reviews are required for numerous current programs that the agency administers.

Long-Term Effect

LHC's PRICE application will prioritize those developments which ensure a mechanism for affordability of a minimum of fifteen years. Due to the complex nature of mobile home park finance, LHC will endeavor to allow the greatest amount of flexibility possible in the structure of those mechanisms proposed by applications. LHC will work to create opportunities for layering PRICE funding with the \$9,000,000 allocated by the state for a pilot program to encourage resident ownership of existing parks. The agency addresses stable long-term homeownership options through HUD-approved counseling sessions offered free of charge.