



Kentucky
Housing
Corporation

Investing in quality housing solutions.

PRICE Kentucky Manufactured Housing Empowerment and Improvement Program

An Overview

2026 Governor's Local Issues Conference

Thursday, August 20

10:30 a.m. - 11:15 a.m.

Nunn Room

Galt House Hotel

What is HUD's PRICE Program?

- On 6/24/2024, HUD released the *Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Competition*, which made \$225M available for a first-of-its-kind federal grant program to support and stabilize manufactured housing units (MHUs) and manufactured housing communities (MHCs) nationwide.
- **Program Goals**
 - Preserve, revitalize, and replace manufactured homes and MHC infrastructure
 - Enhance MHU/MHC resilience to natural hazards and improve energy efficiency and health/safety of MHUS
 - Support homeownership and resident-owned communities
- **Eligible Activities**
 - Repair, rehabilitation, or replacement of aging manufactured homes, including to address accessibility, safety, and weatherization
 - Acquisition and creation of resident-owned communities or other models to preserve long-term affordability
 - Infrastructure improvements to address aging or failing essential MHC infrastructure, including water, sewer, roads, sidewalks, utilities, including updates to increase community resilience
 - Homeownership assistance and renter services, including tenant education, housing counseling, and eviction prevention
 - Acquisition of land and/or new manufactured units to create new housing opportunities

Kentucky's PRICE Application

- The Department for Local Government partnered with Kentucky Housing Corporation to submit a PRICE application requesting \$55,625,000 for the Kentucky Manufactured Housing Empowerment and Improvement Program in July 2024.
- Kentucky, a state with one of the highest proportions of manufactured homes in the country where the vast majority of MHCs are still owned by "mom and pop" owners, proposed using PRICE funds to replace unsafe mobile homes built before 1976 and to support conversion of existing MHCs to resident-owned cooperatives to preserve affordability and prevent takeover by institutional investors
- HUD received over 175 applications for projects across 44 States. Local governments, states, Tribes, nonprofits, and other eligible entities applied. For every \$1 available in funding, \$14 was requested from applicants.
- On 12/19/2024, HUD announced 17 PRICE awards totaling \$225 million.
 - ***The Commonwealth of Kentucky received the nations 3rd largest PRICE award: \$28,276,690.63!***

Kentucky Manufactured Housing Empowerment and Improvement Program

- Consists of two separate projects:
 - ***Kentucky ROCs*** - preserve and improve at least 2 existing manufactured housing communities by acquiring and converting them to resident-owned cooperatives.
 - ***Kentucky Targeted Owner-Occupied Emergency MHU Replacement Program (KYEMHURP)*** - replace unsafe owner-occupied manufactured housing units (MHUs) constructed prior to the 1976 implementation of the Manufactured Home Construction and Safety Standards Program (HUD Code) that pose a threat to the health and safety of low-income Kentuckians.
- 84% of Kentucky's PRICE funds will be divided equally between the Kentucky ROCs and KYEMHURP, with each program receiving an allocation of \$12 million for program activities. The remaining 8% of the PRICE funds will be used for program/project delivery costs, subrecipient project production fees, technical assistance and administration costs.

Kentucky ROCs

- KHC will partner with ROC USA to identify manufactured housing communities best suited for conversion to resident-owned cooperatives (ROCs).
- The KY ROCs program will:
 - support ROC conversions with accompanying infrastructure improvements;
 - provide residents of those ROCs with home repairs, including accessibility improvements; and
 - replace pre-1976 MHUs (or younger units where rehabilitation is not economically justifiable) occupied by ROC residents with new replacement units.
- These investments will help preserve naturally occurring affordable housing; empower residents of ROC communities; provide residents in MHUs with substandard housing conditions with needed repairs or unit replacement; and improve the quality of shared infrastructure and community amenities in assisted MHCs.

Project Partner - ROC USA

- ROC USA (<https://rocusa.org/>) is the nation's leader in converting MHCs to resident-owned cooperatives (ROCs).
- In addition to partnering with KHC, ROC USA was the largest awardee from HUD's PRICE competition to support ROC conversions in 12 states and they are also supporting other PRICE grantees with their ROC conversions.
- ROC USA CAPITAL will leverage KY ROCs PRICE funding by providing at least \$4M in loans to the Kentucky MHCs selected for ROCs conversion.
- In partnership with KHC, ROC USA will identify and select at least two Kentucky MHCs for ROC conversion based on their criteria for MHCs most likely to succeed after transitioning to resident ownership.
- Without ROC USA Guidance and financial support, it is unlikely residents of MHCs would have access to sufficient capital to acquire their communities. Additionally, by buying down ROC USA CAPITAL loans to ROC boards with PRICE funds, the Commonwealth will reduce ROC members' housing cost burden.

KY ROCs - MHC minimum eligibility requirements

- Located anywhere in Kentucky
- ≥ 25 owner-occupied manufactured housing units on leased lots
- $\geq 75\%$ of lot lease holders own their MHUs
- $\leq 25\%$ of lots are occupied by recreational vehicles (RVs)
- $\geq 75\%$ of households earn less than 80% AMI; and, either:
 - $\geq 20\%$ of households earn less than 50% AMI; or
 - $\geq 40\%$ of households earn no more than 60% AMI.
- Lot rents are currently appropriate for the local market.
- MHC has reasonable existing operating costs as assessed by ROC USA.
- Majority of MHC residents have documented interest in creating a ROC.
- MHC owner has documented willingness to sell to a ROC at appraised value or below.
- Not located in a special flood hazard area.

KY ROCs - Eligible Activities/Costs

- Acquisition costs to convert privately held MHCs to ROCs, including legal, title, and recording fees.
- MHC infrastructure and amenity improvements, including, but not limited to roads, sewer, water, parking, water retention, community centers, and recreational facilities.
- Subsidy to offset acquisition and infrastructure improvement debt incurred by ROC MHCs to ensure that site fees resident owners pay to the ROC remain comparable to or reduced from the lot rents residents paid to the previous owner of the MHC and are only subject to reasonable increases.
- Repair of individual MHUs that cannot meet the [Minimum Habitability Standards](#) established by the Kentucky Housing Corporation (KHC) Affordable Housing Trust Fund (AHTF) Home Repair Program.
- Replacement costs of pre-1976 MHUs (or younger units where repair costs are not financially justifiable), including acquisition and installation of new Energy Star (or equivalent)-rated manufactured housing unit, utility hook ups, builder's costs, any accessibility modifications that may be required and removal and disposal of existing unit.
- Temporary relocation of residents if home repairs if repairs cannot be made safely while unit is occupied or if current unit must be removed prior to replacement unit installation on a lot.
- Technical/legal assistance to establish ROC non-profit governing boards.
- Ongoing technical assistance to ROCs during the project performance period.
- Administrative/program delivery costs.

KY ROCs - Form and Term of Assistance

- ROC Acquisition/Infrastructure
 - Acquisition and infrastructure loan (up to 110% loan to value ratio) from ROC USA Capital with PRICE subsidy to ensure ongoing lot rent affordability.
 - 30-year lot rent affordability deed restriction placed on assisted ROC MHCs.
- Units Repaired or Replaced
 - 15-year partially forgivable mortgage for the cost of repairs completed or replacement unit as installed.
 - Adjustable 0% mortgage payments will be calculated as 30% of adjusted gross monthly income less lot rent and utility allowance and will be made for the duration of a 15-year period of affordability, unless KHC grants a hardship waiver on behalf of a client.
 - Any mortgage balance remaining at the conclusion of the 15-year period of affordability for units receiving repairs will be forgiven.
 - Should the assisted household sell the unit during the period of affordability, the HOME Investment Partnerships recapture provisions will be employed.

KY ROCs - Unit Renter Protections

- ROC USA's Zero Displacement Standards
 - During the ROC conversion process
 - Residents renting MHUs will be permitted to stay, and the landlord will be invited to become a member of the ROC; and
 - If the MHC owner selling the land to the ROC also owns and leases units in the MHC, the ROC will attempt to acquire the units as part of the MHC acquisition and will continue to lease to existing renters if they choose not to acquire the unit from the ROC after purchase.
 - Post conversion
 - Renters of units in the MHC, now owned by the ROC, will be contacted to assess if they wish to purchase their unit. If so, ROC USA, in conjunction with the ROC's Board of Directors, will assist the tenant with purchase negotiations and financing of the unit.
 - Initial ROC lot lease with a MHU rental's landlord requires a right of first purchase option for the tenant or a buyer who will be a member of the ROC if the landlord chooses to sell the unit.
- ROC rental unit owners will be prohibited from using source of income discrimination against prospective tenants awarded vouchers from the following programs: Housing Choice Voucher, HOME TBRA, Continuum of Care, Emergency Solutions Grants, and Housing Opportunities for Persons with AIDS.

KY ROCs - Homesite Renter Protections

- ROC USA's ROC members who own their units will have resident protections based on ROC USA's model
 - typically exceed the standards established by Freddie Mac for manufactured housing in 2021.
- Each ROC Board of Directors will adopt their own policies, likely using ROC USA's guidance.
- To ensure basic protections are maintained by all Kentucky ROCs MHC's, the Commonwealth will mandate that protections established by ROC MHC boards meet or exceed the following Freddie Mac standards:
 - One-year renewable lease terms, 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 having to first relocate it out of the community
 - Right to sell the manufactured home in place within 30 days after eviction by the community owner
 - Right to sublease, or assign the pad site lease, for the unexpired lease 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

Kentucky Targeted Owner-Occupied Emergency MHU Replacement Program (KYEMHURP)

- Purpose: to replace the housing of low-income Kentuckians facing economic, health, and safety risks from pre-1976 manufactured housing units/mobile homes (MHUs) that they own with new, energy-efficient manufactured or modular units.
- Need:
 - Older units face leaking roofs, poor insulation, unsafe heating, and deteriorating foundations impacting resident health
 - Pre-1976 mobile homes consume 53% more energy than comparably sized homes, causing financial strain to low-income residents.
- The program supports families in building long-term financial stability through safer, efficient housing.

KYEMHURP - Eligible Applicants/Developers

- Units of General Local Government and community-based non-profit agencies in good standing with both DLG and KHC *that demonstrate capacity for affordable housing development and/or repair services with a recent history of unit production.*
- City/county governments and/or non-profit agencies may enter joint partnerships to serve a county or multiple counties with one entity as the lead applicant.
- *NOTE: only one project will be awarded for service in any given county.* KHC will determine a county's service provider if multiple awarded applicants propose to serve the same county. City/county governments and non-profits may enter joint partnerships to serve a county with one entity as the lead applicant.
 - If an applicant is serving as the lead for a joint EMHURP project, documentation of the joint partnership(s), such as a memorandum of understanding or executed partnership agreement, must be uploaded to the application.
- Organizations should only apply if they will directly provide PRICE EMHURP services.
 - KHC will NOT award funds to intermediary subrecipients providing only administrative or program management support.

KYEMHURP- Program Eligibility

- Households
 - Currently own lot on which the MHU sits or:
 - has a 99-year leasehold interest in the lot on which the property sits, or equivalent form of ownership approved by the Commonwealth of Kentucky; or
 - property is inherited with multiple owners, life estates, inter vivos trust, living trusts, and beneficiary deeds and MHU owner can document right to occupy lot.
 - Have $\geq 30\%$ housing cost burden, based on mortgage or personal property loan payments for unit, home energy costs, property taxes, insurance, and homeowners' association/manufactured housing park fees, as applicable.
 - Earn $\leq 50\%$ State or County Area Median Income (AMI) (whichever is higher).
- Units
 - Owner-occupied MHUs constructed before 1976 on land owned or controlled by the assisted household that cannot meet the [Minimum Habitability Standards](#) established by the KHC AHTF Home Repair Program.

KYEMHURP Eligible Activities/Costs

- Acquisition and installation of new Energy Star (or equivalent)-rated manufactured or modular housing unit including delivery costs, foundation, unit elevation (if applicable), landscaping, utility hook ups, builder's costs, and any accessibility modifications that may be required.
 - All KYEMHURP units must be installed on a permanent foundation.
 - Installation may be conducted by the manufacturer (if included in unit pricing) or the awarded KYEMHURP developer/subrecipient.
 - Installation cost can include accessibility modifications needed for the new unit.
 - ***Newly constructed stick-built housing units are not eligible to be used as KYEMHURP replacement units.***
- Mandatory removal and disposal of existing pre-1976 manufactured/mobile unit replaced with a new KYEMHURP unit a Kentucky Energy & Environment Cabinet-approved landfill.

Eligible Activities/Costs (continued)

- Temporary relocation costs to allow installation of new unit if current unit must be removed prior to replacement unit installation on the lot. This may include unit rental or hotel/motel costs, moving costs, and/or storage costs.
 - **NOTE:** the Uniform Relocation Act and HUD Section 104(d) do not cover owner-occupants who voluntarily participate in federally funded housing rehabilitation or replacement programs, like EMHURP. However, KHC has implemented a PRICE voluntary temporary relocation assistance program for EMHURP-assisted households on an as-needed basis
- Legal assistance in recording unit as real property (if required).
 - ***All PRICE EMHURP manufactured housing units must be units must be permanently affixed to a foundation and recorded as real estate with the County Clerk, not as chattel property.***
- Housing and/or legal counseling, including guidance to assisted households on estate planning and wills.
- Developer project production fees.
 - Lesser of \$13.33% of Total Development Cost (TDC) (excluding temporary relocation) or \$20,000

KYEMHURP - Form and Term of Assistance

- KHC will secure assisted units via 15-year partially forgivable first lien mortgage for the cost of the replacement unit as installed.
- Adjustable 0% monthly mortgage payments will be calculated as 30% of adjusted gross monthly income less utility allowance, property taxes, and insurance cost and will be made for the duration of a 15-year period of affordability, unless the subrecipient requests a hardship waiver from KHC on behalf of the client.
 - The monthly mortgage payment calculated at closing will remain in place until the homeowner or developer/subrecipient notifies KHC of a decrease in household income that results in a principal payment recalculation.
 - A minimum monthly principal payment of \$1 is required.
- KYEMHURP-assisted households will be required to make escrow payment to KHC for property taxes and homeowner's insurance.

Form and Term of Assistance (continued)

- Any mortgage balance remaining at the conclusion of the 15-year period of affordability for units receiving repairs will be forgiven.
 - If the PRICE EMHURP-assisted household does not make all required payments during the 15-year Period of Affordability, the loan will not be forgiven until 180 payments have been made.
- Should the assisted household sell the unit during the period of affordability, the [HOME Investment Partnerships recapture provisions](#) will be employed.
- KHC will allow refinancing during the 15-year Period of Affordability when homeowners are not seeking cash-out refinances.
 - In such cases, homeowners and/or developers/subrecipients would request that KHC prepare a subordination agreement for the new lender.
 - KHC will only subordinate to a refinance that is not predatory in nature and is not a cash-out refinance, including loan consolidation.

KYEMHURP - Property Standards and Inspections

- All KYEMHURP modular/manufactured replacement units must meet [KHC Minimum Design Standards for New Construction- One- and Two-Family Dwelling Units 2026](#). Manufactured units must also meet the HUD Manufactured Home Construction and Safety Standards at 24 CFR Part 3280 (a.k.a. HUD Code) and carry a HUD Certification Label. Modular units must also meet Kentucky Residential Code.
- Kentucky Housing Corporation Design and Construction Review inspectors will inspect KYEMHURP replacement units a minimum of three times each at the following stages:
 - Footing (after excavation of footings and before footing concrete is poured)
 - Delivery and placement (after unit is placed on foundation and building modules are connected (if applicable))
 - Completion (100% complete including landscaping and site work and before move-in)
- A representative from the developer/subrecipient must attend each inspection.
- Inspection reports for all project units must be kept on file by the developer/subrecipient and final inspection report must be submitted to KHC as an attachment to the Project Closeout Report
- All KYEMHURP awardees must enter into a Memorandum of Agreement (MOA) with KHC governing inspections.

KYEMHURP - Homeowner Counseling Required

- KYEMHURP awardees are required to provide HUD-certified homeownership counseling to assisted clients.
- Per 24 CFR § 570.615 “Housing counseling, as defined in 24 CFR 5.100, that is funded with or provided in connection with CDBG funds must be carried out in accordance with 24 CFR 5.111,” which requires the use of a HUD-certified Housing Counselor. (PRICE is authorized under the CDBG program).
- Topics addressed, at minimum, should include foreclosure prevention, warranties, bankruptcy, maintenance responsibilities, budgeting, and the terms of the KHC PRICE EMHURP partially forgivable 15-year mortgage.
- KHC has not set a policy on the number of hours or length of such counseling but may review each application for reasonableness as a part of the application process.
- KHC recommends, but does not require, that all counseling components meet the current National Industry Standards for Homeownership Education and Counseling. The current voluntary national standards can be found at www.homeownershipstandards.com.

KYEMHURP - Mandatory Legal Services/Wills

- All KYEMHURP-assisted households must have a will in place that specifies how their real estate assets should be addressed after death **before their existing unit is replaced.**
- All KYEMHURP awardees are expected to link clients to legal services for estate planning, which may include referring them to the [Civil Legal Aid program](#) serving their region.
- Costs for these services should be budgeted in the “Professional Services” section of the KHC PRICE EMHURP Project Set-up/PCR Packet “TDC” tab.

KYEMHURP - Homeowner's Insurance

- For all properties assisted with KYEMHURP funding, the homeowner must maintain all risk, fire, and extended insurance coverage, in form and with companies acceptable to the developer, in an amount not less than cost of the replacement unit (acquisition costs plus construction costs).
- Each policy must include appropriate loss payable clauses in favor of Kentucky Housing Corporation.
- Assisted household will make monthly escrow payments to KHC to cover insurance costs as part of their mortgage payment.

KYEMHURP - Environmental Review

- KYEMHURP awardees must complete an environmental review for each unit using the HUD Environmental Review Online System (HEROS) and then assign the HEROS Environmental Review Record to KHC for review and approval.
- Because each KYEMHURP unit replacement will be governed by an individual developer written agreement as a specific local project, all KYEMHURP activities are Categorically Excluded Subject to the Federal Laws and Authorities Cited in §58.5 (CEST) under 24 CFR 58.35(a)(4)(i), “[a]n individual action on up to four dwelling units where there is a maximum of four units on any one site.”
- NOTE: If awarded KYEMHURP funding under a conditional commitment letter, applicants should contact KHC to discuss if using a [Tiered Environmental Review](#) is appropriate for their PRICE award in lieu of submitting individual environmental reviews in HEROS for each KYEMHURP unit.
- ALSO NOTE: As part of the Environmental Review, all PRICE units must comply with the [KHC Radon Testing and Mitigation Policy](#).

KYEMHURP- Build America Buy America

- [HUD CPD Notice 25-01](#) states: “Housing projects with one to four units are considered ‘private,’ consistent with HUD’s definition of single-family housing. Housing projects with one to four units, including onsite utilities and related activities, are therefore not considered public infrastructure and are not subject to BAP.”
- Therefore, because each KYEMHURP unit replacement will be governed by an individual developer written agreement as a specific local project, BABA compliance is not required.

KYEMHURP Notice of Funding Availability (NOFA)

- KHC will issue a competitive NOFA for KYEMHURP funds soon (likely in early September).
- A total of \$13,600,000 in PRICE funding will be made available for this competition.
 - EMHURP Unit Replacement Costs: \$12M
 - Developer Project Production Fees (lesser of 13.33% of total unit replacement costs or \$20,000): \$1.6M
 - No administrative fees will be funded via this NOFA.
 - Awardees must achieve project close out for at least one household within 9 months of the date KHC conditionally commits funds to the project.
 - Awardees must expend all PRICE EMHURP funds by April 1, 2031.
- Applicants will have roughly 4 months to complete application in the [KHC Universal Funding Application \(UFA\)](#)
- \$50 application fee

KHC Standardized Modular and Manufactured Home Plans and Pricing Book

- KHC issued a Request for Quotation (RFQ) inviting Kentucky Residential Code modular home builders and HUD Code manufactured home builders to submit floor plans, elevations, and pricing for inclusion in our forthcoming *Standardized Modular and Manufactured Home Plans and Pricing Book*.
 - Responses were due on August 10. KHC staff are currently reviewing submissions from manufacturers.
- The *Standardized Modular and Manufactured Home Plans and Pricing Book* will serve as pre-qualified catalog of home designs that meet KHC Minimum Design Standards streamlining the selection process for developers and housing agencies across Kentucky.
- Manufacturers had to submit a fixed price for each modular and manufactured home floor plan submitted with an estimated range of delivery costs to locations in Kentucky.
- Manufacturers also were required to submit an explanation of their order process to set forth an example of the steps a developer would take to order a unit, including an estimated delivery timeline, deposit requirements, staff contacts for ordering, etc.

KHC Standardized Modular and Manufactured Home Plans and Pricing Book (continued)

- While KYEMHURP grantees will be free to procure their own replacement units from a manufacturer that meet KHC Minimum Design Standards, KHC believes *the Standardized Modular and Manufactured Home Plans and Pricing Book* will simplify planning, budgeting, and unit acquisition for developers, not only for PRICE program grantees, but also for other single-family development programs administered by KHC, the Department for Local Government (DLG), Lexington-Fayette Urban County Government, Louisville-Jefferson County Metro Government, and others.
- KHC requested plans and pricing for units in 2 tiers: 1) Affordable Replacement Homes and 2) Community Development Homes
 - KYEMHURP grantees will be able to select from units in “Tier 1- Affordable Replacement Homes.” These will be single-section homes ranging in size from 600–1,216 square feet (14’–16’ wide x 43’–76’ long) with 1 bed/1 bath, 1 bed/1.5 bath, 2 bed/1 bath, 2 bed/1.5 bath, 2 bed/2 bath, 3 bed/1 bath, 3 bed/1.5 bath and 3 bed/2 bath options.
 - Designs in this category should prioritize maximum affordability, energy efficiency, universal design, and durability.
- KHC hopes to release the Plans and Pricing book in September 2026.

Questions?

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