



# All Parks Alliance for Change ■ APAC

*An Organization of Manufactured Home Park Residents*

## **Strengthen Manufactured Home Relocation Trust Fund**

Manufactured home parks provide affordable housing and sustainable home ownership. However, residents are in a vulnerable situation since they own their homes, but only rent the land. In 2007, the state established the Manufactured Home Relocation Trust Fund to provide residents with relocation compensation either to move their homes or to replace their homes if they cannot be moved.

The fund's resources come from two places: 1) an annual \$15 fee assessed on every homeowner-occupied lot, and, 2) when a community closes, the park owner also pays the fund \$3,250 per "single wide" and \$6,000 per "double wide." This replaced a patchwork of local ordinances that provided relocation compensation for residents in some cities but not others, and made the park owners entirely responsible for the relocation costs.

## **Ensure Sufficient Funds for Relocation Compensation**

- **Increase the Fund Balance** – In 2011, a change to the law stopped collection of the \$15 fee whenever the fund balance was \$1 million or more. In 2017, two expensive community closures (Lowry Grove in St. Anthony and Southgate in Bloomington) resulted in nearly \$1 million in relocation benefits being paid out over a one-year period and the fund was nearly emptied. The annual \$15 fee should be collected until the fund balance reaches the higher balance level of \$3 million.
- **Provide Emergency Funds if Needed** – It will take at least three years for the annual \$15 fee to raise the same amount paid out in just one 12 month period. Of course, this also assumes there will not be another round of expensive closures, like there was in 2017. The Minnesota Housing Finance Agency or Minnesota Management and Budget should be authorized to advance funds in necessary.

## **Improve Administration and Oversight**

- **Invoicing of the Annual \$15 Fee** – In the years it is collected, MN Management and Budget sends invoices to licensed manufactured home parks assessing \$15 for each home owner-occupied lot. The MN Department of Health licenses parks and requires them to renew their licenses each year. However, MDH does not have a consolidated list of park contact information because much of the licensing is delegated to counties. Require MDH to annually compile a list of park names, owners, addresses, and licensed lots.
- **Recordkeeping of Relocation Costs** – The city appoints a neutral third party to oversee the closure process and approve relocation costs. However, cities are not told when to make the appointment or what records to keep. The neutral third party should be appointed within 60 days after the closure is announced and records should include all payments received, relocation compensation paid, and third party administrative costs.

## **Simplify and Clarify Process**

- **Compensation Levels under Relocation Ordinances** – The Relocation Trust Fund replaced and preempted local relocation ordinances, except that residents in those cities are allowed to receive which compensation level is greater. Currently, MHFA must determine whether there was a local ordinance in effect on May 26, 2007. This responsibility should be shifted to the local government.
- **Old Park Closure Statements** – At least nine months before a park is closed, the park owner must issue a closure statement that is sent to the residents, local government, and state agencies. Sometimes closure statements are issued but not acted on. If a closure statement is issued more than 24 months prior to a park closure and it does not include a closure date, or that date has passed, the statement must be reissued.