

The logo for APAC (All Parks Alliance for Change) is a blue rectangle with a black border containing the letters 'APAC' in white, bold, sans-serif font.

APAC

PUBLIC POLICY REPORT

A grayscale photograph of a manufactured home in a winter setting. The home has a light-colored upper section and a darker lower section. There is snow on the ground and bare trees in the background.

PARK CLOSING ORDINANCES

FEBRUARY 2007

ALL PARKS ALLIANCE FOR CHANGE

*A STATEWIDE ORGANIZATION OF MANUFACTURED
HOME PARK RESIDENTS*

All Parks Alliance for Change
Public Policy Report

*The Risk of Manufactured Home Park Closings:
An Analysis & Recommendations for Effective
Park Closing Ordinances*

February 2007

Prepared By:
Daren Nyquist
APAC Community Organizer
Center for Urban and Regional Affairs Graduate Researcher

Reviewed By:
Russ Adams
Executive Director
Alliance for Metropolitan Stability

Stacy Becker
Becker Consulting

Edited By:
Dave Anderson
APAC Executive Director

Margaret Kaplan
APAC Staff Attorney

Celeste Finn
APAC Staff

All Parks Alliance for Change
970 Raymond Avenue, Suite 105
St. Paul, MN 55114
Phone: 651-644-5525 or 866-361-2722
Fax: 651-523-0173
Email: info@allparksallianceforchange.org
www.allparksallianceforchange.org

Executive Summary

Manufactured home parks provide the largest source of unsubsidized affordable housing in the state. They serve those individuals who are very low-income and provide opportunities for home ownership. These parks, however, are increasingly at risk due to rising land values, deferred maintenance, and the desire to increase the local tax base. This risk is substantial because Minnesota has approximately 950 manufactured home parks,¹ containing nearly 50,000 homes and housing approximately 150,000 residents.² Moreover, many of these parks are experiencing increased development pressures and risks of closure. To the residents of manufactured home parks, park closures mean displacement from their homes and communities, loss of affordable housing, and oppressive out-of-pocket expenses.

Owners of traditional stick-built homes are fully compensated when new development forces them to abandon their homes, but residents of parks are not. Park residents face an unusual housing situation because they own their homes but rent the land. The closing of a park can be financially devastating as it often means the loss of homes since most manufactured homes cannot be moved due to their poor condition, moving costs, shortage of available lots, and/or parks barring homes over ten years old. The closure of a park also affects the greater community, since local shelters and transitional housing facilities are already unable to cope with the increasing numbers of people needing services.

State and local governments have a vital role in addressing this problem because they license and regulate parks, restrictively zone manufactured homes to parks, adopt goals to increase minority home ownership, have plans to end homelessness, and provide services to those in need. State and local governments have the ability to pass a park closing ordinance (also known as relocation compensation ordinance) which will protect residents from the financial losses of a park closing. These ordinances provide a guarantee that when a park is closed, the park owner and/or buyer pay the reasonable relocation costs to move each home within a 25-mile radius, or if the home cannot be moved, the owner/buyer buys out the home at its taxed market value or appraised market value. Twenty-one cities have adopted ordinances leaving 90% of manufactured home parks unprotected by a park closing ordinance. This means that approximately 135,000 residents, most of whom are low-income, would lose their homes and thousands of dollars if their park were closed.

This report looks at the importance of manufactured home parks, their demographics and other substantial statistics. It explains what has created the critical need for park closing ordinances, and how park closures and ordinances affect both the manufactured home park residents and the greater community.

¹ Minnesota Department of Health.

² *Ibid.*

The Trend

During the last five years, the value of land has increased at a record breaking pace in Minnesota. Prime developable real estate can sell from anywhere from \$15,000 to \$50,000 an acre. In 2003, land prices in Minnesota increased more than 12%, the fastest growth rate in the nation.³ In growing cities such as St. Cloud and Mankato and especially in the suburbs of the Twin Cities Metro Area, development pressures combined with relatively low interest rates and restrictive land use policies have created a large demand for more housing and services. This means that landowners are being offered more for their land, are becoming more likely to sell, and developers are increasingly on the look out for less expensive parcels. Enter manufactured home parks.

Minnesota Manufactured Home Parks



Manufactured home parks often occupy expansive tracts of land. The average park in Minnesota holds fifty homes.⁴ Given the various regulations governing home spacing, setback, lot size, and road widths, this translates to a park of at least four to six acres in size, which is most likely underestimated.⁵ Considering that these parks already maintain infrastructure such as water, sewer, and electricity, the cost to redevelop these parcels is less than bringing amenities to a pristine parcel. Moreover, many parks in Minnesota exist on the edges of population centers. When these areas expand, manufactured home parks become targets for redevelopment. They offer large pieces of land near important regional corridors. In short, parks exist as attractive redevelopment investment options.

In the last six years, there have been at least seventeen park closures, totaling over 425 units.⁶ There are currently five parks that are in the process of closing, totaling 189 units. There are also sixteen parks at risk of closure, totaling 1,626 lots. By 2008, we can expect that 1,700 people will have lost their homes due to park closures since 2000. It should also be noted that these closure numbers are significantly under representative of the actual trend. Until legislation was enacted in August of 2006, there was no clearinghouse for park closure information; therefore, there was no direct way to get comprehensive data on the scope of the issue.

³ Tax Breaks Boosts Farmland Prices, Minnesota Public Radio, Minneapolis, MN, 28 Dec. 2004.

⁴ Environmental Health Services System, Minnesota Department of Health: 2002.

⁵ This estimate depends on local zoning codes that govern road widths, setbacks, parking requirements, etc. However, state law mandates that homes be 3 feet from property lines, 10-foot setback from streets, 16-foot parcel width, 10 feet between homes, and 3 feet between homes end to end. Found in MN Statute 327.20 Subd. 1(3).

⁶ Park closure data collected by All Parks Alliance for Change (APAC), 2000-2006.

Effects of Park Closure

On the surface, park closures due to redevelopment seems like a natural mechanism of the real estate market – a parcel of land is sold by its owner to a developer that will put it to another use. Ostensibly, the park is brought to a use that is “higher” and “better.” It appears to be a win-win situation. However, there is much more to the story.

In Minnesota, 87% of the manufactured homes are owner occupied. This means that the people living in these homes are in fact, homeowners. In nearly every park in the state, large majorities of the residents own their homes. When a park closes, it displaces people that have worked to save for their homes in order to have a place that they can call their own. For reasons that will be discussed, home owners facing displacement due to park closure have no guarantees of relocation, procurement of alternative housing, nor any real assurances that the laws applicable to the situation are even followed. Park closures leave manufactured homeowners mostly unprotected, and in some cases having to pay for the destruction of their homes.

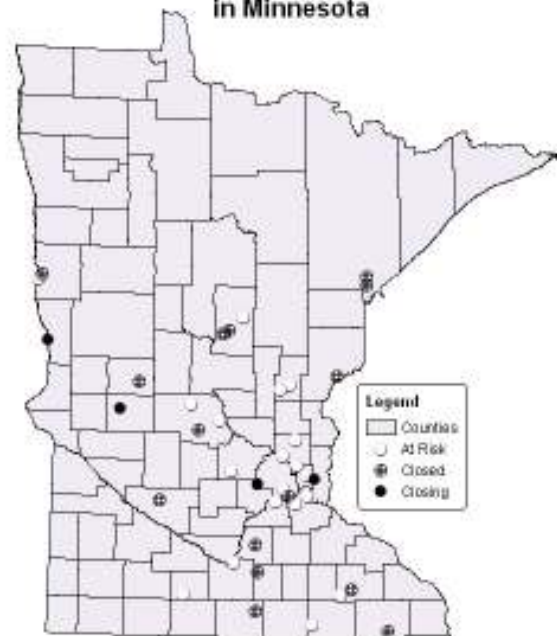
Entitlements under State Law

In Minnesota, there are three things a manufactured homeowner is guaranteed in the event that his or her park closes: 1) a closure notice identifying the dates of closure and a list of other manufactured home parks within a 25-mile radius; 2) a public hearing in front of the appropriate governing body (city council or county board); and 3) at least a nine month relocation period.

The Immobility of Mobile Homes

When a park closes, there are only two options available to a homeowner: try to move the home to another park (or parcel of land) or keep the home where it is and pay for its demolition. The former option, all things being equal, would be the preferable choice. However, the term “mobile home,” the more popular term used for manufactured housing, is a bit of a misnomer. It is a holdover from the 1930’s-1950’s when the “mobile homes” of the era looked like today’s recreational travel trailers. Modern mobile homes are now designed to stay in one place. Rather than maintaining permanent undercarriages, contemporary mobile homes have temporary axels and wheels that are removed once the home is set. Most often, the owner of the home sells these axels and

At Risk or Closed Manufactured Home Parks in Minnesota



Note: at risk parks are defined as those in city designated redevelopment areas, for sale of redevelopment, closure notices with defects, or ones with serious infrastructure concerns.

wheels because they no longer have any use. Adding the required anchoring and skirting makes the home more of a permanent structure than a “mobile home.”

For double and triple-wide homes, the process of moving the structure is akin to moving a regular stick-built home. These types of homes usually come in two or three pieces assembled and finished on-site. Uprooting these homes (as with most single-wides as well) involves unsealing, finding and separating roofed over seams, mechanically separating the sections, disconnecting plumbing and utilities, removing fixed appurtenances, lifting the structure off its pad, and finally weather-sealing it for transport. Once the home is moved and if the frame hasn't cracked en route, these processes occur in reverse order. Anchoring and skirting costs are added as the final transactions of moving a “mobile home.”

As one may suspect, the costs for moving a manufactured home are large, especially for those with fixed or low incomes. Moving prices vary across the state and across different sizes of homes, but for single-wides values can range from \$2,000 to \$10,000.⁷ For double and triple-wides, moving costs can range from \$5,000 to \$15,000. The breakdown of these costs is shown in the following table.

Expenses	Single-Wide			Double-Wide
	Low	Median	High	
Tear Down	\$600	\$600	\$600	\$1,800
Utility disconnect (gas & electric)	\$195	\$195	\$195	\$195
Installing wheels and axels	n.a.	\$300	\$600	\$0-\$1,050
Transportation of single wide home within 25 miles	\$375	\$611	\$847	\$750- \$1,694
Set-up at new location, including blocking and leveling	\$1,100	\$1,100	\$1,100	\$2,400
Anchoring	\$600	\$650	\$700	\$1,200-\$1,400
Electrical connection	\$500	\$750	\$1,000	\$500-\$1,000
Gas connection	\$300	\$400	\$500	\$300-\$500
Installation of new skirting	\$600	\$800	\$1,000	\$1,200-\$2,000
Moving Truck and Packing Expenses (personal property)	\$40	\$55	\$75	\$40-70
State permit and moving fees	n.a.	\$30	\$60	0 to \$60
Total Cost per household	\$4,310	\$5,491	\$6,477	Low: \$8,385 High: \$12,169
Sources				
Rite Way Mobile Home Repair Inc.(Fridley)	All Parks Alliance for Change			
Mobile Maintenance (Fridley)	Uhaul Company website		Data Gathered 2004-2006	

Approximately 80% of the occupied manufactured homes in the state are ten or more years old.⁸ Since a majority of parks have rules that cap the age of incoming homes at ten years or newer, this means that 80% of manufactured homeowners in the state would be denied residency at another park if they tried to move their current home.

⁷ Based on actual estimates from professional relocation companies gathered by APAC during the last several years.

⁸ Census data, 2000.

Another issue is that almost half of the occupied manufactured homes in Minnesota were built prior to 1980. This puts the homes' ability to withstand a move into question. Many homes only move one time: from the dealer to the manufactured home park. If an owner wants to move from the park, most often the home will be sold as-is for continued occupancy at its current site. Additionally, the older the home gets (especially for homes built before 1976) the more likely its frame will develop rust and lose the strength to travel over the road.⁹

The odds are that if a park closes, a majority of the homeowners, due to the age and/or condition of their homes, will not be able to move the structure to another park. This then leaves the owners to pay, out of their own pockets, to have their homes destroyed. Demolition costs usually exceed \$10,000.¹⁰ Additionally, resident homeowners must continue to pay for any outstanding debt that exists on the home, even if the home is demolished.

The average annual household income within a manufactured home is \$34,000.¹¹ If a park closes, a household can expect to pay anywhere from 8% to 44% of its gross annual income to offset the costs of the closure. These costs come even though residents have legal title to the home, pay taxes on it, and have no input on the owner's decision to close the park. They are simply victims of circumstance caught in a legal grey area between the rights allowed to apartment renters and those allowed to conventional homeowners.

Outside of the typical relocation costs, the loss of affordable housing also negatively affects displaced residents. As mentioned earlier, 87% of manufactured homes in the state are owner occupied. The median manufactured home price is \$30,000 and typical lot rent is \$200 to \$350 per month.¹² Manufactured housing exists as an extremely affordable way to access home ownership and an important source of housing for the lowest income brackets. In fact, there exist more privately owned affordable manufactured housing units in Minnesota (50,000) than all project based HUD subsidized units and Rural Development units combined (48,700).¹³

When a park closes and people cannot gain access to other parks, they often face a 100% or more increase in their monthly housing expenses. Depending on the area, fair market rents for two bedroom apartments in Minnesota go from \$500 to \$1,000. Three to four bedroom apartments go from \$600 to \$1,400.¹⁴ These increases have dramatic negative effects on the housing security of displaced families and individuals.

⁹ 1976 was the year in which Federal legislation went into effect that regulated the construction of manufactured housing. This legislation resulted in the construction of safer and sounder homes.

¹⁰ Costs for demolition include: teardown, disposal, handling of hazardous waste, etc. Demolition quote taken from Mobile Maintenance, July 2005.

¹¹ Census data, 2000

¹² This range covers statewide average rents.

¹³ U.S. Department of Housing and Urban Development, A Picture of Subsidized Households – 2000 <http://www.huduser.org/picture2000/form_7SH.odt>, 2000.

¹⁴ Federal Register, Vol.71, No.106, 2 June, 2006 <<http://www.huduser.org/datasets>>.

Costs to the Community

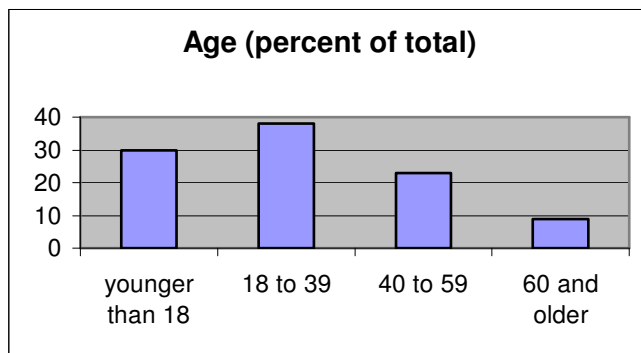
Park closures not only impact the families living in the park, but this mass displacement can also have effects on their communities and local economies. Depending on the availability of alternative affordable housing in the area, many families of a closing park may decide to leave and go on to another community. If this happens, the list of externalities is long and costly:

- Children are drawn away from the district, costing the public schools system valuable subsidies.
- Consumers are drawn away from shopping at local businesses.
- Laborers are lost to another labor market.
- Affordable housing options are lost, impacting the immigration of new residents.
- The city may lose revenue due to the decreased capture of fees and excise taxes.
- Local social services will experience higher demands.
- Higher social inequalities will develop in the forms of increased homelessness and loss of affordable housing.
- Increased allocation of public dollars to fund the services to deal with these problems.

Taking away an individual's home not only costs that household, but it will also cost the community in both tangible monetary terms and intangible quality of life factors.

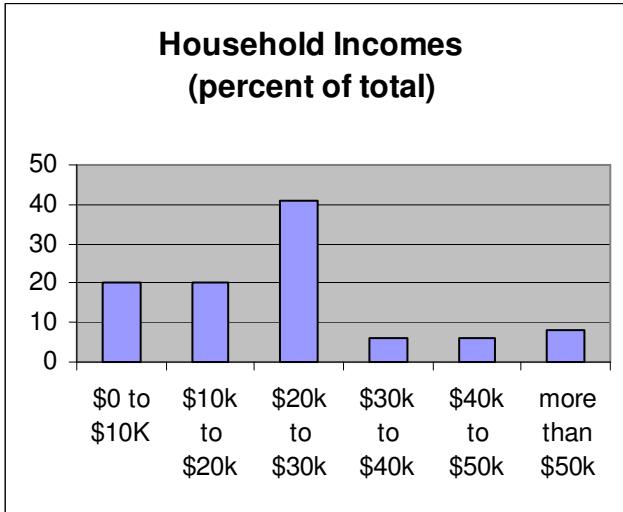
Case Studies: Analyzing Recent Park Closings

In an effort to catalogue the basic demographics of the parks that close around the state, All Parks Alliance for Change (APAC) conducts thorough surveying. In the last five years, APAC has been involved in seven park closings. The following data is a compilation of surveys that were conducted during the park closings.



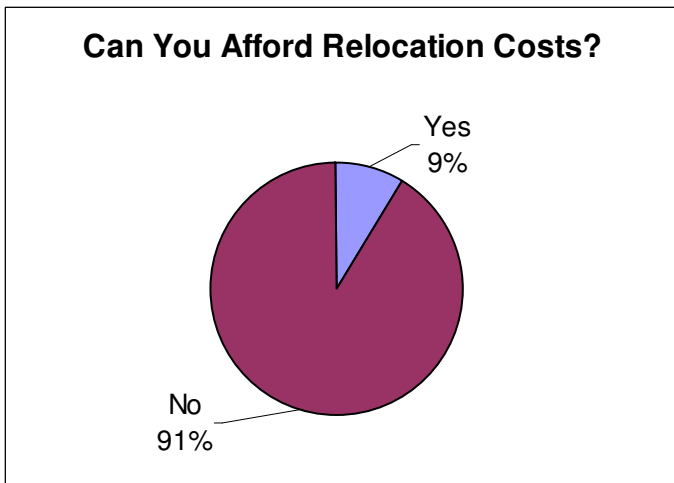
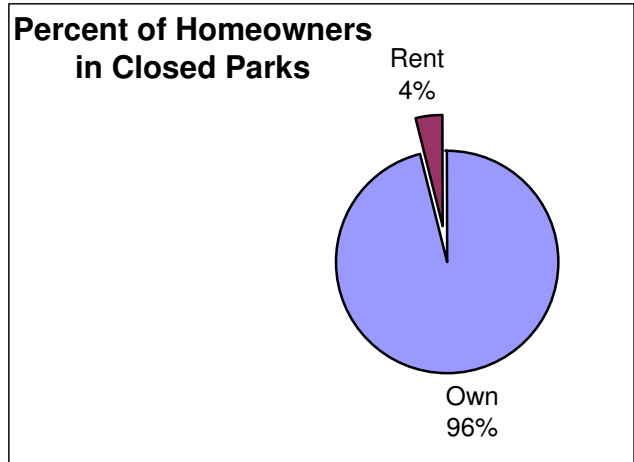
A majority of the residents were 18-39. However, an almost equal number were children under 18. This is a significant statistic because studies have shown the deleterious effects of housing crisis in children's development and school performance. Park closures displace children and subsequently can have negative effects on their development.¹⁵

¹⁵ For example, see Marybeth Shinn and Yvonne Rafferty, "The Impact of Homelessness of Children," *American Psychologist*, Nov. 1991:1170-1179 or Sandra A. Graham-Bermann, et al., "Children in Homeless families: Risks to Mental Health and Development," *American Psychologist*, 1993: 335-343.



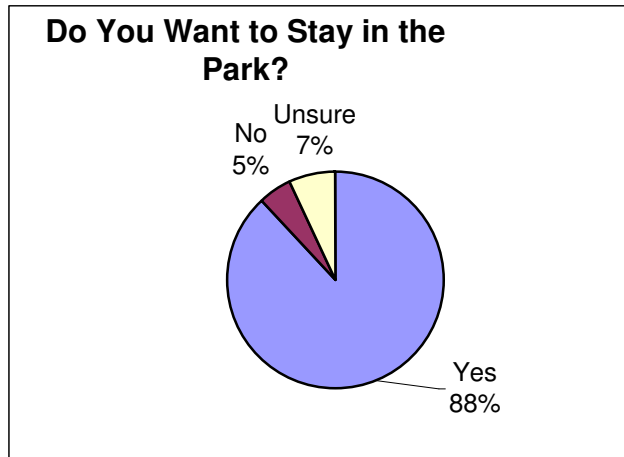
More than 60% of the residents surveyed made less than \$30,000 a year. More concerning is that 40% made less than \$20,000. Compare these salaries to the costs of relocation and it is evident that a park closing creates an economic crisis for families affected by them.

As is apparent by the graphic, an overwhelming majority of residents in the parks that have recently closed owned their homes. This evidences that park closures affect homeowners much more than renters and this results in a decrease of low-income homeownership.

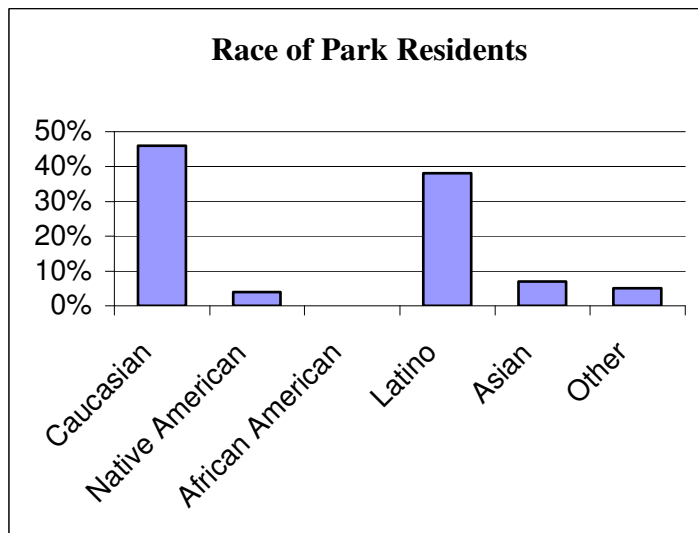


As shown by this graph, almost everyone living in manufactured home parks is unable to afford relocation. Those that live in parks tend to be in the lowest income bracket and cannot afford the relocation expenses.

This statistic plainly describes that people want to continue living in their respective neighborhoods. The graph also reflects the reality that park closures, when done in ad hoc fashion, are completely anathematic to the American ideal of personal choice. The people affected by closures are being told to leave, without being given any option or just compensation.



A majority of Minnesota park residents are Latino or Caucasian. Manufactured housing is an increasingly large source of housing for the state’s growing Latino community. Park closures are concerning in terms of housing discrimination and ensuring everyone involved in a closure is informed of her or his rights. Currently, there are no requirements for closure notices to be issued in Spanish, leaving large numbers of residents ignorant of their situation and powerless to change it.



Other Statistics:

Average age of a home: 30 years
Average number of years in the park: 7 years
Percent claiming disability: 9%
Average household size: 3

These statistics show that residents of manufactured home parks are homesteaded. Moreover, the average household size of three indicates that many homes in these parks are family dominated¹⁶.

¹⁶ All graphics based on data gathered by APAC during the last several years

What can be done to alleviate the burden of park closings?

The issue of park closure faces approximately 150,000 Minnesotans.¹⁷ It is expansive, but it is not intractable. The damaging effect of park closures can be mitigated by effective public policies. One such policy that has come to be known simply as “the park closing ordinance” has been adopted, in various iterations, by twenty-one cities across the state. The ordinance simply seeks to ease the relocation process by requiring relocation compensation to the affected residents. The ordinance does not seek to put limitations on the transactions of private property. It is a tool to ensure that a process is in place to govern the closure and that everybody is treated fairly. Additionally, it ensures that the costs and requirements of a park closure are known to all parties beforehand.

Who has a Park Closing Ordinance?

The figure below shows the city and year the ordinance was passed:

City	Year Passed
Bloomington	1989
Hopkins	1990
Lake Elmo	1991
Moundsview	1996
Dayton	1997
Burnsville	1997
Elk River	1997
Shakopee	1999
Roseville	2000
Apple Valley	2000
Oakdale	2000
Red Wing	2001
Fridley	2001
Rochester	2002
Lexington	2004
Brainerd	2005
Austin	2006
Rosemount	2006
Anoka	2007
Inver Grove Heights	2007
St. Anthony	2007

What do ordinances say?

There are a variety of different provisions a park closing ordinance can detail. However, the common element is that residents are compensated at either the market value for their homes if the homes cannot be relocated, or they are compensated for full moving expenditures if they secure a spot in another park within a 25-mile radius. This compensation usually comes from the owner of the park or the developer purchasing the park. Appendix 1 is a cross list comparing all of the currently existing park closing ordinances.

Additionally, in an effort to rectify some of the consistently occurring problems related to park closing ordinances in the context of actual park closures, advocates have drafted a new model ordinance, attached as Appendix 2. Although the model ordinance follows the same basic principals as prior ordinances, it is hoped that the refinements proposed will simplify the always complex process of relocation, clarify the responsibilities of the park owner and ensure greater compliance by all of the involved parties.

As is evidenced in Appendix 1, the coverage of a park closing ordinance is diverse and, as is the case with any policy, there are advantages and disadvantages to their implementation. However, in the specific case of park closings, the advantages of having an ordinance in place far outweigh the perceived negatives of

¹⁷ Minnesota Department of Health.

implementing such a policy. The utility of the ordinance will be discussed in terms of legality, fairness, structure, and consequences.

Are Park Closing Ordinances Legal? Don't they Constitute Unlawful Takings?

Manufactured home parks in Minnesota are governed by Minnesota Statute 327C. In 1987, the Minnesota State Legislature passed a law, 327C.095 that deals directly with park closings. This section outlines the requirements of a park closing procedure. These requirements include a nine month closure notice, a closure statement, and public hearing. However, it is with respect to the public hearing requirement that park closing ordinances find their creation. Subdivision 4 explicitly covers relocation costs:

The governing body of the municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the park owner. Before any change in use or cessation of operation and as a condition of the change, the governing body may require a payment by the park owner to be made to the displaced resident for the reasonable relocation costs. If a resident cannot relocate the home to another manufactured home park within a 25-mile radius of the park that is being closed, the resident is entitled to relocation costs based upon an average of relocation costs awarded to other residents.

The governing body of the municipality may also require that other parties, including the municipality, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

This provision clearly specifies that it is a municipality's choice whether residents receive compensation. The language states that the city *may* allow residents to receive compensation; however this is an enabling statement, as the statute only guarantees the possibility of compensation. However, it does create the opportunity for relocation requirements, if local governing bodies so choose.

In 1989, Bloomington was the first city to pass a park closing ordinance in Minnesota. In 1993, a manufactured home park closed and the developer was required to compensate the residents. The developer sued the city charging that the ordinance's relocation compensation requirement constituted an unlawful taking of property. The Fourth Judicial District Court ruled that Bloomington was well within legal boundaries in requiring compensation.¹⁸ This judgment flowed from the unique economic relationship of the residents and owner. During the operation of a park, the owner reaps the benefits of the residents' investment into their homes. When the owner sells the park, he or she gains, while the residents lose everything. Because of this peculiar relationship, and because of the economic and public advantages of creating a redistributive requirement,

¹⁸ *Arcadia Dev. Corp. v. City of Bloomington*, 552 N.W.2d 281 (Minn. Ct. App. 1996).

relocation compensation is not a “taking.”¹⁹ There is solid legal precedent for the implementation of park closing ordinances. Nine states have guaranteed relocation compensation and four other states require it under certain circumstances, so clearly Minnesota has the ability to protect park residents as well.

Won't Park Closing Ordinances Increase Rent?

Under a park closing ordinance, the cost of relocation is a fixed cost. These costs, therefore, can be factored into the final agreement on purchase price. Park closing ordinances do not affect the monthly cash flow of a park. They do not add costs like constantly increasing energy bills or unexpected infrastructure improvements. Park closing ordinances are simply a cost to be considered once the park is sold for redevelopment.

Moreover, in Minnesota, rents in manufactured home parks can legally be raised only twice a year. Additionally, any rent increase must be reasonable. If rents were going to increase at an irregular pace, there would be legal options to pursue in order to maintain rent at predictable levels. If the rent were to increase directly as a result of a park closing ordinance, the residents could also pursue claims that the rent increase was retaliatory and in violation of the state law. This presents an additional impediment for park owners to raise rents in response to park closing ordinances.

In order to provide evidence that park closing ordinances do not lead to increased rent levels, lot rent data was collected from parks located in cities with closing ordinances in place. This data is compared to lot rents from the same parks in the mid-1990's. The lot rent data from cities with park closing ordinances was then compared to lot rents in cities without closing ordinances. The analysis is described below: it demonstrates that installing a park-closing ordinance does not automatically lead to rent increases.

Methodology

In 1996, All Parks Alliance for Change conducted a comprehensive lot rent survey for every park in the Twin Cities metro area. This data provides a baseline from which to compare lot rents in cities that have passed a park closing ordinance since 1996. A similar survey was then conducted to acquire current lot rents from metro area parks. In all, 60 parks were contacted, 19 in cities with park-closing ordinances and 36 without.²⁰

¹⁹ The plaintiffs also tried to appeal the decision to the MN Supreme Court, but the case was not heard.

²⁰ There are 22 parks protected by park closing ordinances, however three were removed from the study because the ordinance was passed in the city prior to 1996.

In order to determine if there was a statistically significant difference in rent structures a p-value was calculated.²¹ The rents taken in 1996 were inflated to 2006 dollar values. The calculation resulted in a p-value of 0.04 and an effect size of -0.20 .²² These two numbers mean that the difference between the two groups is not created because of the existence of a park closing ordinance. In fact, the effect size suggests that cities with ordinances have a small negative effect on lot rent, meaning that ordinances can work to suppress normal raises in lot rent.

Conclusion and Discussion

Park closings represent the worst event that can happen to manufactured home owners living in a manufactured home park. Closures are events that can decimate a family's budget and create housing insecurities that have the potential to lead to episodic homelessness. Moreover, park closures are events that have negative externalities on the surrounding community: workers are displaced, children change school districts, and units of affordable housing are lost.

In terms of jurisprudence, park closures are seen as an undue strain on residents and on the community in general. Therefore, redistributive ordinances are deemed legal and necessary.

Park closings are generally unregulated displacement processes that require the provision of oversight powers to public bodies. The relationship between park management and residents is usually an unbalanced power dynamic in favor of the management. Management has been the party enforcing the rules and they are the entity with the power to punish and reward. Moreover, management sets the terms and conditions of park closures. Without proper supervision, the incentive to shirk legal responsibilities and withhold information from the residents is extremely high. The state does not currently have the proper regulatory bodies to govern park closings effectively. Until significant policy changes are made at the state level, creating and enforcing a park closure process at the local level is the most effective way to ensure equity in a naturally unbalanced situation.

Park closing ordinances can help to bring some protective cover to manufactured home park residents. At the very least, ordinances will provide a structural guide to park closings at the local level and provide the means for residents to transition to alternative housing. It is additionally hoped that, by drawing on the experience of advocates who have worked with residents facing displacement, the proposed model ordinance can serve as a template for future action by cities and counties across the state.

²¹ P-values determine whether the standard deviations of the two groups are close enough only to differ by chance. It is the probability that the difference would have occurred if the samples were taken from the same population. P-values greater than 0.05 usually mean that this assumption is rejected.

²² Cohen's d used to calculate effect size.

Treatment Group: mean = \$354; Standard Deviation = \$39.78; n = 16.

Control Group: mean = \$365; Standard Deviation = \$61.35; n= 36.

Appendix 1

Park Closing Ordinance Options											
City & year passed	Anoka 2006	Apple Valley 2000	Austin 2006	Bloomington 1989	Burnsville 1997	Brainerd 2005	Dayton 1996	Elk River 1997	Fridley 2001	Hopkins 1997	Lake Elmo 1991
Compensation for relocatable homes											
Moving cost within 25-mile radius	yes	yes	yes	Yes	yes	yes	yes	yes	yes	yes	yes
Personal Property	yes		yes	Yes			yes	yes		yes	
Appurtenances	yes	yes	yes	Yes	yes	yes	yes	yes	yes	yes	
Utility disconnect	yes	yes	yes	Yes	yes	yes	yes	yes	yes	yes	yes
Utility reconnect	yes	yes	yes	Yes	yes	yes	yes	yes	yes	yes	yes
Repairs Required to move home	yes		Up to 15% TMV	Yes	yes, up to MAV	yes	yes	yes		yes	no
Insurance	yes	yes	yes	Yes	yes	yes	yes	yes	yes	yes	yes
Other			Deposit at relocated site up to \$250								
Compensation for homes											
Market Appraised Value (MAV)					yes	yes, 75%		yes	yes		
Tax Market Value (TMV)			yes	yes			yes			yes	yes
The higher of MAV or TMV	yes	yes									
Other						one year's lot rent					
Compensation for no tender of title											
Average of total awarded relocation costs	yes	yes		Yes	yes	yes	yes	yes	yes		
Other										\$2,500 SW \$4,000 DW	\$3,500 SW \$5,000 DW
Verification of relocation costs											
Resident submits contract to owner	yes	yes		Yes	yes	yes	yes	yes	yes	yes	yes
Penalty for non-compliance											
Misdemeanor	yes			Yes		yes	yes	yes	yes	yes	
Injunction or other civil remedy	yes			Yes	yes	yes	yes	yes	yes	yes	
Denial of future building permits	yes	yes		Yes	yes	yes	yes	yes	yes	yes	yes
Other											
Cap- % of total sale value	20% of purshused or 25% of assessed, whichever is greater.	yes, 20%		yes, 20%	yes, 20%		yes, 20%		yes, 20%	yes, 20%	yes, 20%
Sunset, year						yes, 2015					

June 2, 2006

Model Relocation Ordinance

ARTICLE XXX. MANUFACTURED HOME PARK CLOSINGS²³

Sec. XXX.01. Definitions.

The following words and terms when used in this Article shall have the following meanings unless the context clearly indicates otherwise:

Closure statement - a statement prepared by the park owner clearly stating the park is closing, addressing the availability, location and potential costs of adequate replacement housing within a 25 mile radius of the park that is closing and the probable relocation costs of the manufactured homes located in the park and complying with all state law requirements for such a statement under Minn. Stat. § 327C.01 and Minn. Stat. § 327C.095.

Resident - a resident of an owner-occupied manufactured home who rents a lot in a manufactured home park, including the members of the resident's household, as of the date the park owner submits a closure statement to the City's Planning Commission.

Lot - an area within a manufactured home park, designed or used for the accommodation of a manufactured home.

Manufactured home - a structure, not affixed to or part of real estate, transportable in one or more sections, which in the traveling mode, is 8 body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical system contained in it.

Manufactured home park - any site, lot, field or tract of land upon which two or more occupied manufactured homes are located, either free of charge or for compensation, and includes any building, structure, tent, vehicle or enclosure used or intended for use as part of the equipment of the manufactured home park. This definition does not include facilities which are open only during three or fewer seasons of the year.

Park owner - the owner of a manufactured home park and any person acting on behalf of the owner in the operation or management of a park.

Person - any individual, corporation, firm, partnership, incorporated and unincorporated association or any other legal or commercial entity.

The definitions in Minn. Stat. § 327C.01 are applicable in this article.

Sec. XXX.02. Purpose of article; statutory authority.

In view of the unique nature and problems presented by the closure or conversion of manufactured home parks, the city council finds that the public health, safety and general welfare will be promoted by requiring compensation to displaced residents of such parks. The purpose of this article is to require park owners to pay displaced residents reasonable relocation pursuant to the authority granted under Minn. Stats. § 327C.095.

Sec. XXX.03. Notice of closing.

²³ **State law references:** Definitions, Minn. Stats. § 327C.01; Manufactured home park closings, Minn. Stats. § 327C.095.

If a manufactured home park is to be closed, converted in whole or part to another use or terminated as a use of the property, the park owner shall, at least nine months prior to the closure, conversion to another use or termination of use, provide a copy of a closure statement to a resident of each manufactured home and to the city planning commission. Prior to issuing the closing notice the park owner must be in full compliance with all city code and state health, safety and licensing requirements.

Sec. XXX.04. Scheduling of hearing; notice of hearing.

The planning commission shall submit the closure statement to the city council and request the city council to schedule a public hearing. The city shall mail a notice at least ten days prior to the public hearing to a resident of each manufactured home in the park stating the time, place and purpose of the hearing. The park owner shall provide the city with a list of the names and addresses of at least one resident of each manufactured home in the park at the time the closure statement is submitted to the planning commission. The public hearing shall not take place until after the expiration of the right to purchase period as provided by Minn. Stat. § 327C.095 subd. 6 and 7, if applicable.

Sec. XXX.05. Conduct of hearing.

A public hearing shall be held before the city council for the purpose of reviewing the closure statement and evaluating what impact the park closing may have on the displaced residents and the park owner.

Sec. XXX.06. Payment of relocation costs.

(a) After service of the closure statement by the park owner and upon submittal by the displaced resident of a contract or other verification of actual relocation expenses, the park owner shall pay to the displaced resident the reasonable cost of relocating the manufactured home to another manufactured home park located within a 25-mile radius of the park that is being closed, converted to another use, or ceasing operation. Reasonable relocation costs shall include:

(1) The actual expenses incurred in moving the displaced resident's manufactured home and personal property, including the reasonable cost of disassembling, moving and reassembling any attached appurtenances, such as porches, decks, skirting and awnings, which were not acquired after notice of closure or conversion of the park, and utility hookup charges.

(2) The cost of insurance for the replacement value of the property being moved.

(3) The cost of repairs or modifications that are required in order to take down, move and set up the manufactured home.

(4) The cost of installation of anchoring, foundation and support systems as recommended by the manufacturer, required by manufacturer warranties or required by state law or administrative codes.

(b) If a resident cannot relocate the manufactured home within a 25-mile radius of the park which is being closed or some other agreed-upon distance, and the resident elects not to tender title to the manufactured home, the resident is entitled to relocation costs based upon an average of relocation costs awarded to other residents in the park.

(c) A displaced resident compensated under this section shall retain title to the manufactured home and shall be responsible for its prompt removal from the manufactured home park.

(d) The park owner shall promptly make the payments under this section directly to the person performing the relocation services after performance thereof, or, upon submission of written evidence of payment of relocation costs by a displaced resident, shall reimburse the displaced resident for such costs.

(e) The displaced resident must submit a contract or other verified cost estimate for relocating the manufactured home to the park owner as a condition to the park owner's liability to pay relocation expenses.

Sec. XXX.07. Payment for manufactured home.

If a resident either cannot, or chooses not to, relocate the manufactured home within a 25-mile radius of the park that is being closed, or some other agreed-upon distance, and tenders title to the manufactured home, the resident is entitled to compensation to be paid by the owner of the park in order to mitigate the adverse financial impact of the park closing. In such instance, the compensation shall be an amount equal to the estimated market value of the manufactured home as determined by an independent appraiser experienced in mobile home appraisal approved by the city administrator. The park owner shall pay the cost of the appraisal or shall reimburse the city for any advances it makes to such appraiser for such cost. Additionally the park owner is responsible for the actual costs associated with moving personal property. In the event that the owner is unable to locate the title to the manufactured home, the owner of the home shall sign an affidavit setting forth: (1) the inability to locate the title; (2) the home owner's desire to transfer ownership of the home to the park owner for disposal purposes; and (3) the home owner's agreement to transfer ownership and releasing the park owner from any liability for the home's eventual disposal. Compensation under this section shall be paid to the displaced residents no later than the 90 days prior to the earlier of closing of the park or its conversion to another use.

Sec. XXX.08 Housing Cost Supplement payment.

(a). Residents who move their manufactured homes to a different park and who have to pay increased lot rent as a result are entitled to a lump sum payment equal to the difference between their lot rent at the park being closed and the lot rent at the park to which they are moving multiplied by twenty-four months, to be paid by the park owner promptly upon presentation by the resident of evidence of the new lot rent payment.

(b). Residents who do not move their manufactured homes to another park but who relocate to other housing and who have to pay increased housing costs as a result are entitled to a lump sum payment equal to the difference between their monthly housing cost at the park being closed and the monthly housing cost at their new location, multiplied by twenty-four months, to be paid by the park owner promptly upon presentation by the resident of evidence of housing costs at both the park being closed and the new housing. Housing cost at the park being closed is defined as the lot rent plus any monthly debt payment toward the purchase of the home. Housing cost at the new housing is defined as either monthly rent or, in the event of a purchase of a conventional home, the monthly cost of the mortgage, taxes, and insurance.

(c) Persons who rented a manufactured home from the park owner and who have to pay increased housing costs as a result of moving from the park are entitled to a lump sum payment equal to the difference between the rent they paid to the park owner and the rent at their new location or, in the event of a purchase of a conventional home, the monthly cost of the mortgage, taxes, and insurance, multiplied by twenty-four months, to be paid by the park owner promptly upon presentation by the displaced person of evidence of the housing cost at the new location.

Sec. XXX.09 Proof of Residency

If any disputes arise regarding the right of an individual to receive compensation, the individual can prove a right to compensation by providing evidence of legal occupancy in the park. Such evidence includes, but is not limited to, legal title to the home, tax records indicating ownership of the home, records from the department of transportation showing ownership of the home, a copy of a signed lease agreement, or proof of payment of rent. Additionally, any resident on the list provided by the park owner to the city under Sec. XXX.04 is presumed to be a legal resident.

Sec. XXX.10. Compliance required prior to approval of subsequent development.

The city shall not issue a building permit in conjunction with reuse of manufactured home park property unless the park owner has paid reasonable location costs , payments for manufactured homes and housing cost supplement payments in accordance with the requirements of this article by providing evidence of such payments to the city. Approval of any application for rezoning, platting, a conditional use permit, planned unit development or a variance in conjunction with a park closing or conversion shall be conditional on compliance with the requirements of this article.

Sec. XXX.11 Penalty

A violation of any provision of this chapter shall be a misdemeanor. In addition, the City Attorney or private parties may enforce any provision of this chapter by injunction or other appropriate civil remedy.