

Minnesota Manufactured Home Relocation Trust Fund

Frequently Asked Questions

What is the Manufactured Home Relocation Trust Fund?

In 2007, the state of Minnesota established the Minnesota Manufactured Home Relocation Trust Fund to provide manufactured (mobile) home owners with reasonable relocation compensation in the event that all or part of their park closes due to private redevelopment. (There are other sources for relocation benefits if the closure results from public redevelopment activity, such as a road project.) A central state fund was created that is overseen by the Minnesota Housing Finance Agency (MHFA). The money in this fund comes from a \$15 fee paid by park owners for every homeowner-occupied lot and collected by Minnesota Management & Budget (MMB). [*NOTE: The fee was \$12 until the Minnesota Legislature changed the amount in 2016.*]

Who is responsible for paying the \$15 fee and when is it due?

The money in the Relocation Trust Fund comes from a \$15 fee assessed on every homeowner-occupied lot. Every year, Minnesota Management & Budget sends a letter by July 15 to park owners explaining whether the fee is being collected for that year, and, if it is, an invoice for all licensed lots that is payable by September 15. The park owner can adjust the payment to subtract any lots that are vacant or not homeowner occupied. In the years the fee is assessed, park owners can collect the \$15 afterwards from the home owners; either as an annual lump sum payment, or \$1.25 per month with lot rent.

Why hasn't the fee been collected since 2011 and why is it being collected now?

Originally, the fee was collected every year. In 2011, the Minnesota Legislature changed the collection to only take place when the balance in the fund on June 30 is less than \$1 million. When this change went into effect, the balance in the fund was nearly \$1.3 million. The balance is now well below that amount and it will be collected in 2017.

Why was the Relocation Trust Fund created?

The Relocation Trust Fund was established through the action of the Minnesota Legislature. It was developed in response to the risk of manufactured home parks closing and home owners being displaced. Prior to creation of the program, park residents were not guaranteed relocation compensation unless their city adopted a local ordinance that required it. In the past, a lot of uncertainty accompanied a park closure; for both home owners, who didn't know if they were going to receive relocation benefits, and park owners, who didn't know if they were going to be required to pay them.

What benefits are available through the Relocation Trust Fund?

Manufactured home owners are guaranteed reasonable compensation either to move their homes or to receive a buy-out if their home cannot be moved. For a "single wide" home, the owner can receive up to \$7,000 to move the home, or up to \$8,000 as a buy-out. For "double wide" home, the owner can up to \$12,500 to move the home, or up to \$14,500 as a buy-out. The buy-out amount is determined by either a home appraisal, or the tax-assessed value averaged over a five-year period; except that the owner is guaranteed a minimum buyout of \$2,000 for a single-wide and \$4,000 for a double-wide.

Can a home owner receive any relocation benefits other than what was just described?

If the park closes as a result of public redevelopment activity, there may be other sources for relocation benefit. Also, if the home owner lives in a city that had a local ordinance covering relocation or buyout payments, they will receive whichever benefits are higher; the local ordinance or the state law. The cities known to have had ordinances are: Anoka, Apple Valley, Austin, Bloomington, Brainerd, Burnsville, Dayton, Elk River, Fridley, Hopkins, Inver Grove Heights, Lake Elmo, Lexington, Mounds View, Oakdale, Red Wing, Rochester, Rosemount, Roseville, Shakopee, St. Anthony Village, and Stacy.

When and how do home owners received compensation under the Relocation Trust Fund?

When a park owner intends to close all or part of a park, a written notice is sent at least nine months in advance to the home owners, the local municipality, the Minnesota Housing Finance Agency, and the Minnesota Department of Health. The city or county appoints a neutral third party to oversee the closure process. To file a claim, the home owner submits a form available on the Minnesota Housing Finance Agency (MHFA) web site, along with the required documentation. Upon approval by the neutral party the MHFA issues checks to the home movers or the home owner as appropriate.

Does the park owner pay in or take out funds from the Relocation Trust Fund?

Yes, but only if they close a park. After the park owners recoup the \$15 fee payment from home owners, they are still responsible for paying up to \$3,250 for each "single wide" and \$6,000 for each "double wide." When there is a home buy-out, the park owner is responsible for the disposal of the home and can request a credit of up to \$1,000 for these costs.

For further information:

Contact All Parks Alliance for Change (APAC) at 651-644-5525, toll free 800-855-361-2722, or info@allparksallianceforchange.org. APAC is a statewide non-profit organization of manufactured (mobile) home park residents.