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To: Representative Lyndon Carlson Senator Julie Rosen
Chair, House Ways and Means Chair, Senate Finance

From: Ryan Baumtrog, Assistant Commissioner, Minnesota Housing Finance Agency

Subject: Report on Minnesota Manufactured Housing Relocation Trust Fund Activity

Minnesota Statutes 327C.095, Subd. 13 (h) requires Minnesota Housing to submit a report on the Minnesota Manufactured Housing Relocation Trust Fund annually each year. The Minnesota Manufactured Housing Relocation Trust Fund (Trust Fund) was established by Laws of Minnesota 2007, Chapter 141 and amended recently under Laws 2019, 1st Special Session, Chapter 1. The Trust Fund assists owners of manufactured homes with relocation expenses in the event that their manufactured home park closes.

Park owners are required to make payments to the Trust Fund when their manufactured housing park is being closed and when the Trust Fund balance is less than \$2,000,000. A cap on the amount paid by the park owner is set in the statute and varies depending on whether a home will be moved or abandoned (Minn. Stat. § 327C. 095, Subd. 12 (a)).

The local government in which the closing manufactured home park is located is required to appoint a neutral third party to resolve questions or disputes regarding contributions to and disbursements from the Trust Fund (Minn. Stat. § 327C. 095, Subd. 4). Based on the neutral third party's decisions, Minnesota Housing is charged with making payments out of the Trust Fund to homeowners, moving and towing contractors and others.

Minn. Stat. § 327C.095, Subd. 12(c) allows collection of payments only when the unencumbered fund balance in the Trust Fund is less than \$2,000,000 as of June 30 of each fiscal year. Because the balance of the Trust Fund was \$500,770 as of June 30, 2019, Minnesota Management and Budget collected payments from park owners in FY 2020. Minnesota Management and Budget assessed manufactured park owners \$15.00 per licensed lot in accordance to M.S. 327C.09, Subd. 12 (c). Under current law, park owners may collect this amount from those renting in the park.

The following is a summary of the Trust Fund revenues and expenditures for FY 2020.

**FY 2020 MANUFACTURED HOUSING RELOCATION TRUST FUND ACTIVITY
JULY 1, 2019 –JUNE 30, 2020**

| | |
|---|------------------|
| Beginning Balance at 7/1/2019 | \$500,770 |
| Total Revenues | \$395,962 |
| Total Payments | \$15,500 |
| Administrative expenses deducted from the Trust Fund-MHFA | \$9,705 |
| Balance in Trust Fund – 6/30/2020 | \$871,527 |

Since the Trust Fund balance is below \$2 million on 6/30/20, Minnesota Management and Budget will collect payments from park owners in FY 2021. The Trust Fund did not have any deficiencies or advances in FY 2020.

Total payments in FY 2020 represent two payments related to one park closure. In total, there were 3 small park closures in FY 2020. Those closures will have payments made in FY 2021. The closures included: Boening Mobile Home Park in Mapleton, MN (neutral third party is Minnesota Valley Action Council), Tree's Trailer Park in Fairmont, MN (neutral third party is Minnesota Valley Action Council) and Dalton Trailer Court in Dalton, MN (Neutral third party is Fergus Falls Housing and Redevelopment Authority).

Questions may be directed to:

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