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To: Representative Rena Moran Senator Julie Rosen
Chair, House Ways and Means Chair, Senate Finance

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

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 \$1,335,019 as of June 30, 2021, Minnesota Management and Budget collected payments from park owners in FY 2022. 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 2022.

FY 2022 MANUFACTURED HOUSING RELOCATION TRUST FUND ACTIVITY
JULY 1, 2021 –JUNE 30, 2022

Beginning Balance at 7/1/2021	\$1,335,019
Total Revenues	\$438,016
Total Payments	\$62,950
Administrative expenses deducted from the Trust Fund-MHFA	\$8,209
Balance in Trust Fund – 6/30/2022	1,701,876

Since the Trust Fund balance is below \$2 million on 6/30/22, Minnesota Management and Budget will collect payments from park owners in FY 2023. The Trust Fund did not have any deficiencies or advances in FY 2022.

Total payments in FY 2022 represent nine payments related to the Elm Estates park closure in Lindstrom, MN (neutral third party is Lakes & Pines Community Action Council). Eastwood Estates in Redwood Falls has initiated the park closure process, but no payments were made related to this park closure for FY 2022.

Questions may be directed to:

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