

Date: January 12, 2024

To: Representative Howard, Chair, Housing Finance and Policy
Representative Johnson, Republican Lead, Housing Finance and Policy
Senator Port, Chair, Housing and Homelessness Prevention
Senator Lucero, Ranking Minority Lead, Housing and Homelessness Prevention

From: Ryan Baumtrog, Assistant Commissioner, Minnesota Housing 

Subject: Annual Manufactured Home Park Redevelopment Program Report

Pursuant to Laws 2023, Chapter 37, Article 1, Section 2, subdivision 4 Minnesota Housing is required to report on Manufactured Home Park Redevelopment Program under Minnesota Statutes, section 462A.2035, subdivision 1.

Summary of Program

The Manufactured Home Community Redevelopment Program was created in 2001 with a one-time appropriation of \$400,000 to address the needs of aging manufactured homes and infrastructure around the state. The Legislature funded the program with \$3.75 million in state appropriations for FY 2022-23, and with an additional \$15 million in Housing Infrastructure Bond (HIB) set-aside for the program.

After funds were committed in the 2021 Request for Proposal (RFP), \$10 million in resources were available for the 2022 RFP. Program funds are awarded as grants to eligible applicants for infrastructure improvements or acquisition of manufactured home parks, as described in statute.

Eligible applicants include privately, publicly or cooperatively owned communities, as well as nonprofit organizations acting as an intermediary on behalf of a park. Funds are not eligible for use on individual homes, but intended to benefit the community as a whole. Eligible uses of funds include:

- Infrastructure improvements, including water and sewer installation, installment or repair of storm shelters, electrical work, road and sidewalk improvements, or other infrastructure needs as approved in writing by Minnesota Housing.
- Acquisition of manufactured home parks, with priority given to cooperative ownership models.

Grantees are required to meet the terms of an affordability period of up to 25 years, and lot rent increase restrictions of no more than 5% per year, unless approved by Minnesota Housing. Statute also requires that park owners establish an account for replacement reserves for infrastructure and improvement repairs.

The RFP announcement was published on the Minnesota State Register, through Agency eNews announcements, as well as sent to external industry partners to share through their networks. Agency staff also held multiple webinars walking through every aspect of the application and completed technical assistance for all potential grantees who expressed interest.

Funding Processing and Awards

Applications are accepted through a competitive RFP process. Minnesota Housing received 25 proposals for infrastructure redevelopment totaling \$25.7 million in the 2022 RFP. Four of the 25 proposals included acquisition activities. In total, 14 proposals were selected for \$9.5 million.

Fourteen reviewers, consisting of Minnesota Housing staff and external community reviewers, scored and reviewed each proposal based on the needs of the community, risk of park closure, households served, affordable lot rents, community support, project leverage, costs and project experience of the owner or contractor(s). An organizational capacity assessment was also conducted to review the financial health of the applicant and ability to implement the project. Scored proposals were then reviewed and prioritized by a selection committee, consisting of six Agency leadership and staff members.

Funding selection letters were sent to the approved applicants in December 2022. Selections are subject to the program requirements outlined in the Grant Agreement and work on the grants is underway.

Agency staff contacted applicants who were not recommended for funding and offered each applicant a debriefing meeting and technical assistance on their application. Applicants who are not funded are encouraged to re-apply in future years.

Manufactured Home Park Redevelopment Program 2022 Request For Proposals Funding Recommendations					
<u>Community Name</u>	<u>Ownership Type</u>	<u>County</u>	<u>Funding Request</u>	<u>State Appropriation Recommendation</u>	<u>HIB Proceeds Recommendation</u>
Five Lakes Cooperative	Resident Owned Cooperative	Martin	\$ 2,759,366	--	\$ 2,200,000
Bennett Park Cooperative	Resident Owned Cooperative	Clay	\$ 3,457,394	--	\$ 2,600,000
Madelia Mobile Village	Resident Owned Cooperative	Watonwan	\$ 1,611,254		\$ 500,000
Gaylord MHP	Resident Owned Cooperative	Sibley	\$ 887,650	\$ 600,000	
Normandale Mobile Park	Privately Owned Community	Redwood	\$ 314,000	--	\$ 200,000
Clearwater Forest	Privately Owned Community	Stearns	\$ 1,398,500	--	\$ 1,000,000
High Ciara MHP	Privately Owned Community	Blue Earth	\$ 196,200	\$ 196,200	--
Green Acres MHP	Privately Owned Community	Itasca	\$ 127,595	\$ 127,595	--

Valley View	Privately Owned Community	Wabasha	\$ 239,253	\$ 239,253	--
Grandview MHP	Privately Owned Community	Goodhue	\$ 1,000,000	--	\$ 300,000
Lakeshore Terrace	Privately Owned Community	Chisago	\$ 915,909	--	\$ 915,909
Vista Village	Privately Owned Community	Mower	\$ 341,454	\$ 341,454	--
Divine Acres MHP	Privately Owned Community	Sibley	\$ 115,675	\$ 89,000	--
Midway Park	Privately Owned Community	Itasca	\$ 239,169	\$ 220,000	--
Croix Estates	Privately Owned Community	Chisago	\$ 273,000	--	--
Country Acres MHP	Privately Owned Community	Itasca	\$ 709,151	--	--
Tower View	Privately Owned Community	Kanabec	\$ 750,000	--	--
Broadmoor Valley	Privately Owned Community	Lyon	\$ 5,210,220	--	--
Bonnevista Terrace	Privately Owned Community	Scott	\$ 2,372,000	--	--
Cedar Terrace	Privately Owned Community	Washington	\$ 403,546	--	--
Pine Cone Park	Privately Owned Community	Otter Tail	\$ 425,000	--	--
Sherwood Forest	Privately Owned Community	Carlton	\$ 669,450	--	--
Grass Lake	Privately Owned Community	Beltrami	\$ 701,279	--	--
Fulda	Privately Owned Community	Murray	\$ 574,000	--	--

Julia Lee's PCA	Privately Owned Community	Anoka	\$ 5,000	--	--
Totals:			\$ 25,727,065	\$ 1,813,502	\$ 7,715,909
Combined Total:					\$ 9,529,411
Average grant amount awarded:					\$ 680,672
Loans issued:					\$ 0

2023 Request for Proposal Funding Process

Minnesota Housing also recently completed the 2023 funding process with resources made available from the 2023 Legislative Session for FY 2024-25. In September 2023, Minnesota Housing received 27 proposals for infrastructure redevelopment totaling \$31.3 million. None of the 27 proposals requested funding for acquisition activities.

Minnesota Housing's Board of Directors approved funding 19 proposals, totaling \$21.5 in December 2023. Manufactured Home Park Redevelopment Program appropriations of \$15 million will support 15 of the proposals. Housing Infrastructure appropriations in the amount of \$6.5 million will support the other four proposals. Further details on these selections will be provided in next year's report or are available upon request.

If you have any questions, please contact Ryan Baumtrog, Assistant Commissioner for Policy at 651-296-9820 or ryan.baumtrog@state.mn.us