

Date: January 15, 2025

To: Representative Howard, Housing Finance and Policy
Representative Igo, Housing Finance and Policy
Senator Port, Housing and Homelessness Prevention
Senator Lucero, Housing and Homelessness Prevention

From: Jennifer Lemaile Ho, 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 Park Redevelopment Program (the “Program”) was created in 2020 when the state legislature allocated \$2 million in state appropriations to address the needs of aging manufactured home communities around the state. The Legislature funded the program with \$16 million in state appropriations for current biennium (FY 2024-25). The program is also an eligible use of Housing Infrastructure appropriations and bonds.

The Legislature set aside \$15 million in Housing Infrastructure bond proceeds specifically for the use of manufactured housing infrastructure redevelopment and/or acquisition until January 2024, of which \$3.2 million was remaining and recommended to apply towards projects for the 2023 RFP. The Agency also recommended utilizing an additional \$3.3 million in Housing Infrastructure cash appropriations to fund projects. 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 were accepted through a competitive Request for Proposal (RFP) process. Minnesota Housing received 27 proposals for infrastructure redevelopment from manufactured home communities totaling \$34,798,764. None of the 27 proposals requested funding for acquisition activities. In total, 19 proposals were selected for \$21.5 million.

Sixteen 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 2023. 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 2023 Request for Proposals Funding Recommendations					
<u>Community Name</u>	<u>Location</u>	<u>Proposal Activity</u>	<u>Funding Request</u>	<u>Manufactured Home Community Redevelopment Program Appropriation Recommendation</u>	<u>Housing Infrastructure Appropriations Recommendation</u>
Zumbro Ridge Cooperative	Rochester	Infrastructure Redevelopment	\$ 3,868,000		\$ 3,868,000
Woodlawn Terrace Cooperative	Richfield	Infrastructure Redevelopment	\$ 711,972		\$ 711,972
Park Plaza Cooperative	Fridley	Infrastructure Redevelopment	\$ 1,176,000	\$ 1,176,000	
Bois de Sioux Mobile Home Park	Breckenridge	Infrastructure Redevelopment	\$ 536,800	\$ 536,800	
El Nuevo Amanecer	Gaylord	Infrastructure Redevelopment	\$ 1,199,258	\$ 1,199,258	
Emerald Pines Cooperative	Alexandria	Infrastructure Redevelopment	\$ 1,074,207	\$ 1,074,207	
Vista Villa	Waseca	Infrastructure Redevelopment	\$ 970,448	\$ 542,124	
Fischer’s Garden	Sauk Rapids	Infrastructure Redevelopment	\$ 2,770,110	\$ 2,347,011	

Suburban Manufactured Home Park	Little Falls	Infrastructure Redevelopment	\$ 2,452,275	\$ 1,668,600	
Pine Village Mobile Home Park	Cambridge	Infrastructure Redevelopment	\$ 702,923	\$ 702,923	
Normandale Manufactured Home Park	Redwood Falls	Infrastructure Redevelopment	\$ 440,000		\$ 440,000
Grandview Manufactured Home Community	Red Wing	Infrastructure Redevelopment	\$ 1,480,000		\$ 1,480,000
Landfall Park Terrace	Landfall	Infrastructure Redevelopment	\$ 1,350,000	\$ 1,350,000	
Bonnevista Terrace	Shakopee	Infrastructure Redevelopment	\$ 1,460,766	\$ 1,144,000	
Country Acres Manufactured Home Park	Grand Rapids	Infrastructure Redevelopment	\$ 416,982	\$ 416,982	
Hillcrest Community Cooperative	Clarks Grove	Infrastructure Redevelopment	\$ 2,200,000	\$ 2,200,000	
Riverside Seniors Community	Grasston	Infrastructure Redevelopment	\$ 60,000	\$ 60,000	
Woodlawn Mobile Home Court	Garfield	Infrastructure Redevelopment	\$ 412,051	\$ 310,500	
Croix Estates	Chisago City	Infrastructure Redevelopment	\$ 294,800	\$ 294,800	
New Leaf Northfield	Northfield	Infrastructure Redevelopment	\$ 2,275,000	--	--
Tower View	Ogilvie	Infrastructure Redevelopment	\$ 850,000	--	--
Marrier Estates	Warba	Infrastructure Redevelopment	\$ 852,075	--	--
Broadmoor Valley	Marshall	Infrastructure Redevelopment	\$ 1,240,154	--	--
Sherwood Forest	Barnum	Infrastructure Redevelopment	\$ 669,450	--	--
Riverbend Manufactured Home Park	Otsego	Infrastructure Redevelopment	\$ 4,385,493	--	--
Watkins Manufactured Home Community	Watkins	Infrastructure Redevelopment	\$ 500,000	--	--

Maplewood Manufactured Home Park	Maplewood	Infrastructure Redevelopment	\$ 450,000	--	--
Totals:			\$ 34,798,764	\$ 15,023,205	\$ 6,499,972
Combined Total:					\$ 21,523,177

Additional RFP Information

Ownership	Applications Received	Applications Funded
Private	22	14
Cooperative	5	5
Municipal	0	0

The average grant awarded was \$1,132,798 and there were no repaid grants in 2024. There were no loans awarded through this RFP process and no loans repaid.

2024 Request for Proposal Funding Process

Minnesota Housing also recently completed the 2024 funding process with resources remaining from the 2023 Legislative Session for FY 2024-25. In September 2024, Minnesota Housing received 17 proposals for infrastructure redevelopment and 1 acquisition proposal from manufactured home communities totaling \$13,277,894.

Minnesota Housing’s board of directors approved funding 9 proposals, totaling \$2.7 million in December 2024. Manufactured Home Park Redevelopment Program appropriations of \$2,048,594 million will support 9 of the proposals. Housing Infrastructure appropriations in the amount of \$679,225 will additionally support one of the nine recommended 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