



Manufactured Home Community Redevelopment Program

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Chapter 1 – Program Purpose and Background

Minnesota Housing Mission Statement

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

1.01 Background

The Minnesota Housing Finance Agency (“Minnesota Housing”) was created in 1971 by the Minnesota Legislature.

The Manufactured Home Community Redevelopment Program is authorized by Minnesota Statutes Section 462A.2035, Subdivision 1b to provide funding for Manufactured Home Park redevelopment.

1.02 Program Purpose

The purpose of this Program is to provide funds to eligible Recipients in the state of Minnesota, for eligible infrastructure activities and improvements, as described in Minnesota Statutes Section 462A.2035, Subdivision 1b, and located in eligible manufactured home communities.

1.03 Procedural Manual

This Procedural Manual, including subsequent changes and additions, is a supplement to the Grant Contract executed between the Recipient and Minnesota Housing.

Chapter 2 – Eligibility Criteria

2.01 Eligible Applicants

Eligible Applicants include the following:

- Cooperative Manufactured Home Park owners
- Government Manufactured Home Park owners
- Housing Redevelopment Authority Manufactured Home Park owners
- Nonprofit Manufactured Home Park owners
- Nonprofits acting as an intermediary on behalf of a Manufactured Home Park
- Private (for-profit) Manufactured Home Park owners

2.02 Eligible Parks

Eligible parks must be permanent, year round parks that are either:

- Cooperatively Owned
- Privately Owned
- Publicly Owned

2.03 Eligible Use of Funds

Eligible use of funds includes:

- Installation or repair of the following infrastructure improvements:
 - Water, sewer and electrical systems
 - Roads and sidewalks
 - Storm shelters
 - Park signage related to safety
 - Security systems and fences
 - Park lighting
 - Other infrastructure improvements approved in writing by Minnesota Housing
- Acquisition of a Manufactured Home Park.
- Improvements required for acquisition of a Manufactured Home Park.

All infrastructure and improvements must benefit year-round residential manufactured homes within the park.

2.04 Ineligible Use of Funds

Funds cannot be used for improvements of individual manufactured homes. Areas of the Manufactured Home Park that are seasonal or not year-round residential areas are ineligible for funding for infrastructure improvements.

Infrastructure improvements that began prior to execution of the Grant Contract are ineligible for funding.

2.05 Household Income Limits

Funds can be used for the acquisition, improvement or infrastructure of Manufactured Home Parks. Minnesota Housing must have adequate assurances that the acquisition, improvement or infrastructure will benefit low- and moderate-income Manufactured Home Park residents, at or below 115 percent AMI, based on the greater of state or area median income.

Funding will be contingent on the agreement that Manufactured Home Park owners will maintain lot rents affordable to households at or below 115 percent AMI during the Affordability Period.

Minnesota Housing will post the applicable income limits and affordable lot rents annually on its [website](#).

2.06 Seasonal Resident Occupancy Adjustment

Applicants must provide documentation that the lots are available to year-round residents within the Manufactured Home Park. If a portion of the park is available to seasonal residents, funds will be awarded pro-rata based on resident occupancy.

Example:

	Project #1	Project #2
Project Cost	\$100,000	\$100,000
Total number of Lots in Park	25	25
Seasonal Resident Lots	0	5
Year-round Resident Occupancy Adjustment	25	20
Cost per Lot	\$4,000	\$4,000
Total Eligible Program Award	\$100,000	\$80,000

Chapter 3 – Funding Information

3.01 Funding Type

Funds are awarded as grants. Any awarded Program funds that are disbursed and not used to pay for the approved eligible uses within a reasonable timeframe, as determined at the sole discretion of Minnesota Housing and established in a Grant Contract, must be immediately returned to Minnesota Housing upon request. Any awarded Program funds unused due to cost savings must be immediately returned to Minnesota Housing.

3.02 Funding Terms

Grant Contract terms will be three years. All activities must be completed within the three year Grant Contract term.

3.03 Grant Contract

A template for the Grant Contract can be viewed on the Minnesota Housing [website](#).

3.04 Declaration

Upon execution of the Grant Contract, a Declaration will be filed of record with the county on the real property upon which the Manufactured Home Park is located. The owner of the Manufactured Home Park must remain in compliance with the Declaration through the Affordability Period.

3.05 Selection Letter

Applicants who are selected for funding will receive a selection letter from Minnesota Housing. The selection letter provides information on additional terms and conditions that may apply to the project funding.

3.06 Disbursement Schedule

Funding disbursement schedules will be defined in the Grant Contract. Funds cannot be disbursed without an executed Grant Contract.

Chapter 4 – Recipient Requirements and Responsibilities

4.01 Recipient Responsibilities

The Applicant is responsible for understanding the submission requirements necessary for a complete application. The Program application, supplemental materials and resources can be found on Minnesota Housing's [website](#).

4.02 Application Content

The application package must include all items listed on the Program application checklist. The application and materials must be signed. Applications that are unsigned or missing requested supporting documentation will be considered incomplete and will not be reviewed, unless Minnesota Housing deems the error or omission to be immaterial.

4.03 Infrastructure Construction Requirements

Recipients are responsible for complying with all applicable state and local requirements. In addition, all items included in the project's scope of work must meet the Manufactured Home Park Requirements outlined by the [Minnesota Department of Health](#). Projects must be completed in a manner that will pass all licensing, zoning and inspection requirements.

4.04 Federal, State and Local Laws

Recipients receiving financial assistance from Minnesota Housing under the Program must comply with the requirements of all applicable federal, state and local laws.

Under certain circumstances, awards of agency funds may trigger state prevailing wage requirements under Minn. Stat. § 116J.871. In broad terms, the statute applies to awards that meet the following conditions: (1) new housing construction (not rehabilitation); and (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds. The statute excludes new housing construction in which total financial assistance at a single project site is less than \$100,000.

Please note the following statutory provisions:

- A state agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6. Minn. Stat. § 116J.871, subd. 2.
- It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers and mechanics under subdivision 2 [see above] to subsequently fail to pay the prevailing wage. Each day a violation of this subdivision continues is a separate offense. Minn. Stat. § 116J.871, subd. 3.

In addition, a separate prevailing wage statute, Minn. Stat. § 177.41-.43, may apply if funds are used for a building that is publicly owned or leased.

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All questions regarding state prevailing wages and compliance requirements should be directed to the Department of Labor and Industry as follows:

Division of Labor Standards and Apprenticeship
Prevailing Wage State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155
651-284-5091 or dli.prevwage@state.mn.us

Chapter 5 – Application, Selection and Award Process

5.01 Application Process

Funds will be awarded annually through a competitive Request for Proposal (RFP) process.

5.02 Minimum Thresholds

Applicants must submit the items listed on the application document, found on the Minnesota Housing [website](#).

5.03 Selection Criteria

Applicants' proposals will be reviewed on various selection criteria listed on the application document, found on the Minnesota Housing [website](#).

5.04 Review of the Application

Applications will be reviewed and scored by Minnesota Housing staff to determine selection and funding recommendations. Final selection and funding recommendations will be presented to the Minnesota Housing board for approval.

5.05 Selection Notification

All Applicants will be notified of their status after Minnesota Housing's board has taken action.

Chapter 6 – Affordability Period and Declaration

6.01 Declaration

A Declaration outlining the Program restrictions, including those outlined in section 6.03, will be placed on the property upon execution of the Grant Contract. Recipients must comply with all terms in the Declaration throughout the Affordability Period. A sample Declaration can be found on the Minnesota Housing [website](#).

6.02 Term

The term of the Declaration is known as the Affordability Period. The length is up to 25 years.

6.03 Restrictions

Applicants are encouraged to review the sample Declaration prior to applying for funds. Restrictions include:

- The property will remain a Manufactured Home Park
- Manufactured Home Park owners will maintain lot rent affordable to low or moderate income households as defined by Minnesota Housing
- Manufactured Home Park owners will establish and fund an account for replacement reserves for infrastructure and improvement repairs
- Lot rent increases will be capped at 5 percent annually, or as agreed upon in writing by Minnesota Housing
- Any sale or transfer of ownership of the Manufactured Home Park must be approved by Minnesota Housing.

If the applicant is a city, county, or community action program, preference must be given to households at or below 50 percent of the area median income.

Chapter 7 – Compliance Monitoring and Reporting

7.01 Compliance Reporting

For the length of the Grant Contract, Recipients must submit an annual report that includes, at a minimum, the name of the park, the park owner’s name, the amount of award, the amount of award received to date, and information about project expenditures. Minnesota Housing reserves the right to ask for additional information. Minnesota Housing will provide a reporting template to Recipients.

Monitoring may include a review of financial, organizational and Program activities of the Recipient and/or the Manufactured Home Park owner. Grant Recipients will be notified by Minnesota Housing prior to any monitoring activity.

Recipients awarded funds are required to comply with all monitoring and reporting requirements for the term of the Grant Contract.

Recipients must retain files for six years after the expiration of the Grant Contract.

Prior to final disbursement of funds, Minnesota Housing will review disbursement records associated with the Grant. The Recipient must provide a detailed accounting of when funds received and disbursements made. Minnesota Housing reserves the right to ask for additional information.

Minnesota Housing reserves the right to monitor Manufactured Home Park owners for compliance with the Declaration during the Affordability Period.

Chapter 8 - Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Recipients agree to follow Minnesota Housing's fair housing policy, posted on the Minnesota Housing [website](#).

Chapter 9 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting

9.01 Fraud

Fraud is any intentionally deceptive action made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the ways described in section 10.05.

9.02 Misuse of Funds

A loan or grant agreement is a legal contract. The borrower or grantee promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the borrower or grantee to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the borrower or grantee must use Minnesota Housing funds as agreed and the borrower or grantee must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a borrower or grantee; or (2) A borrower or grantee cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the loan or grant agreement.

Any borrower or grantee (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the ways described in section 10.05.

9.03 Conflict of Interest

A conflict of interest, actual, potential, or perceived, occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper or illegal act results from it.

An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.

Organizational conflicts of interest occur when:

- A contracting party is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties
- A contracting party's objectivity in carrying out their responsibilities might be otherwise impaired due to competing duties or loyalties

- A contracting party has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party’s responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party’s participation

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, perceived, or potential conflicts of interest through one of the ways described in section 10.05.

A contracting party should review its contract agreement and Request for Proposals (RFP) material, if applicable, for further requirements.

9.04 Suspension

By entering into any agreement with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing’s website for a list of [suspended individuals and organizations](#).

9.05 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing’s Chief Risk Officer
- Any member of Minnesota Housing’s [Servant Leadership Team](#)
- [EthicsPoint](#), the Minnesota Housing hotline reporting service vendor

Appendix A: Definitions

TERM	DEFINITION
Affordability Period	The length of time of the Declaration, defined in the Grant Contract, of up to 25 years.
Applicant	The entity applying for funding through the Manufactured Home Community Redevelopment Program.
Declaration	A record filed with the county on the real property upon which the Manufactured Home Park is located that describes the restrictions of the Program.
Grant Contract	A legal contract executed between Minnesota Housing and a Recipient, providing Manufactured Home Community Redevelopment funds to the Recipient in the form of a grant.
Manufactured Home Park	A residential community in which more than one manufactured home is located on a parcel of land under single ownership.
Program	Refers to the Manufactured Home Community Redevelopment Program.
Recipient	The entity with which Minnesota Housing has a contractual relationship to receive Manufactured Home Community Redevelopment Program funds, including the entity identified as a “Grantee” in a Grant Contract, and any successors or assigns approved in writing by Minnesota Housing.
Request for Proposals (RFP)	The process by which Minnesota Housing solicits applications for funding, from eligible Applicants under the Manufactured Home Community Redevelopment Program.