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Date: January 15, 2019

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

A handwritten signature in blue ink, appearing to be 'R. Baumtrog', located to the right of the subject line.

Minnesota Statutes 327C.095, Subd. 13 (h) requires the Minnesota Housing to submit a report on the Minnesota Manufactured Housing Relocation Trust Fund by January 15 of each year. The Minnesota Manufactured Housing Relocation Trust Fund (Trust Fund) was established by Laws of Minnesota 2007, Chapter 141.

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 \$1,000,000. 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 municipality 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, the 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 \$1,000,000 as of June 30 of each fiscal year. Because the balance of the Trust Fund was \$168,245 as of June 30, 2017, Minnesota Management and Budget collected payments from park owners in FY 2018. 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 page is a brief summary of the Trust Fund revenues and expenditures for FY 2018.

FY 2018 MANUFACTURED HOUSING RELOCATION TRUST FUND ACTIVITY

JULY 1, 2017 – JUNE 30, 2018

Beginning Balance - 7/01/17	\$168,245
Total Payments Received in FY 2018	\$412,615
Payments to Claimants	\$271,362
Administrative Charges or expenses deducted from the trust fund-MHFA	\$10,009
Balance in Trust Fund – 6/30/18	\$299,489

Since the Trust Fund balance is below \$1 million on 6/30/18, Minnesota Management and Budget will collect payments from park owners in FY 2019.

Questions may be directed to:

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