

Manufactured Housing Community Redevelopment Program Application Guide and Instructions

Applications must be submitted by 12:00 p.m. on Monday, October 3rd, 2022

Background

The purpose of this program is to provide funds to eligible applicants in the state of Minnesota, for eligible infrastructure activities and improvements, and located in eligible manufactured home communities.

Available Funding

The Minnesota Legislature has funded the program with \$3.75 million in state appropriations for the next two years (2022 and 2023), as well as an additional \$15 million in Housing Infrastructure Bond proceeds set aside for the program until January 16, 2024. Depending on eligible and qualifying projects, Minnesota Housing anticipates funding at least \$10 million in projects through this program in the 2021 RFP. Funds will be awarded annually through a competitive Request for Proposal (RFP) process.

Disbursement of Funds

Funding disbursement schedules will be defined in the grant contract once funds are committed and determined by the use of funds. Funds cannot be dispersed without an executed grant contract.

Eligibility Criteria

Eligible Applicants

Eligible applicants can be any one of the following:

- Cooperative Manufactured Home Park Owners
- Privately Owned 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

Eligible Parks

Eligible parks must be permanent, year-round parks without property age restrictions that are either:

- Cooperatively Owned
- Privately Owned
- Publicly Owned

Ineligible Parks

The following parks are ineligible for funds:

Seasonal and/or Resort Parks

All applicants should review and comply with the requirements outlined in the Manufactured Home Community Redevelopment program guide found on the Minnesota Housing <u>website</u>.

Eligible Infrastructure Improvements and Acquisition

Eligible infrastructure and improvements include water and sewer installation and improvements, installment or repair of storm shelters, electrical system installation and repairs, road and sidewalk installation or improvements, necessary installation or repair of park signage, installation or repair of security systems and fences, and park lighting installation or repair. Acquisition of manufactured home parks and improvements required for acquisition of a manufactured home park will also be eligible. Other infrastructure improvements may be eligible as approved in writing by Minnesota Housing.

Applicants will comply with the minimum architectural design standards posted on the Department of Health <u>website</u>. These are the minimum standards required to maintain a license to operate as a manufactured home park.

Applications for infrastructure improvements must include an assessment of the existing infrastructure item(s) to be improved. Assessments should include a reasonable cost estimate for the improvement and must be completed by a licensed assessor who has specific knowledge in the area of infrastructure needing improvement.

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.

Grantees receiving financial assistance from Minnesota Housing under the Program must comply with all requirements of applicable federal, state and local laws including prevailing wage requirements including the Fair Labor Standards Act (Minn. Stat. 177) and those established by statute. Minn. Stat. 116J.871 Minnesota Housing requires Grantees to certify they will comply with all applicable federal, state and local prevailing wage laws.

It is the Grantee's responsibility to determine if prevailing wage laws apply. Failure to determine applicability and/or comply with prevailing wage laws may subject Grantee to criminal liability, civil penalty, and/or termination of participation as set forth below in Section 2.08.

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

Application Requirements

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. 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.

The following requirements must be met in order to submit an application for funding:

All Applicants:

- **Credit Review Documents**: Applicants must submit the appropriate documents based on the ownership structure of the park so that a credit review can take place. Government entities are exempt from a credit review.
- **Inspection Report**: Applicants must submit the most recent park inspection report from the Department of Health or local delegated authority.
- License: Applicants must submit a valid park license.
- **Rent Rolls**: Applicants must submit three months of consecutive rent rolls to demonstrate park vacancy levels as well as verifying lot rents.
- 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.

<u>Applicants Proposing Infrastructure Redevelopment</u>:

- Cost Estimate Documents: Applicants must supply assessment and reasonable cost estimate
 documents with application when applying for infrastructure redevelopment. If multiple bids are
 conducted and the lowest bid was not selected, applicants must provide an explanation in the
 application and narrative. The selected bid should be clearly identified. If only one bid or
 assessment was completed, provide an explanation why multiple bids were not obtained. Cost
 estimates and assessments should be completed by an assessor with the legal, educational and/or
 industry authority to complete a reasonable assessment.
- Construction Timeline: Applicants must submit a construction timeline when applying for
 infrastructure redevelopment to verify the work will be completed within the terms laid out in the
 grant agreement.

Applicants Proposing Acquisition as Part of the Project:

- **Commitment Letter**: Applicants must submit a commitment letter from the first mortgage letter outlining the loan amount, terms and an estimated closing date.
- **Purchase Contract**: Applicants must submit a copy of the executed purchase commitment for the park.
- **Credit Review Documents**: In addition to the credit review documents outlined above, applicants must submit the appropriate documents for the proposed ownership entity post-acquisition.

Scoring Criteria

Applicants' proposals will be reviewed on various selection criteria listed on the application guide and instructions document, found on the Minnesota Housing website. Applicants' proposals will be reviewed on various selection criteria including:

- Community Needs (0-20 points)
- Households Served (0-30 points)
- Community Support (0-30 points)
- Project Leverage and Costs (0-30 points)
- Project Assessment (0-10 points)
- Project Experience (0-10 points)

See the Scoring Metrics document on the website for more details.

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

Application Instructions

Funds will be awarded annually through a competitive Request for Proposal (RFP) process. Applicants must submit the application and all other required materials to Minnesota Housing by **Monday, October 3rd, 2022.**

Applications can be completed through the Online Application on the <u>website</u>, or paper applications can be scanned and uploaded using the <u>Single Family Secure File Exchange</u> (LeapFILE), accessible on the <u>Partner Login page to MHFA.Homeimprovement@state.mn.us</u>.

All application materials must be signed. Minnesota Housing may request additional information or clarification. 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. If you need technical support, email MNHousing.ManufacturedHomes@state.mn.us with 'Manufactured Home Community Redevelopment Program' in the subject line.

Applicants must complete the narrative questions and include all of the required information. The narrative questions can be completed through either the Online Application on the <u>website</u>, <u>or</u> by completing the Application Narrative form – Applicants do <u>not</u> need to complete both.

Applicants are encouraged to be clear and concise in the presentation of information. Applicants must also submit the application checklist and all supporting documentation listed.

When uploading files, applicants should use the following naming conventions for each file: "Applicant Name Document Name" (i.e. "MN Mobile Home Park Application Checklist").

The Minnesota Housing Board of Directors anticipates considering the Agency's funding recommendations for the Manufactured Housing Community Redevelopment Program in December 2022.

Minnesota Housing reserves the right to not select proposals. Proposals selected for funding through the Manufactured Housing Community Redevelopment Program RFP are subject to availability of

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

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.

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

A template for the Grant Contract can be viewed on the Minnesota Housing website.

Information Session

Interested applicants can review a recorded information presentation, which will be available on the Minnesota Housing website. Applicants can send additional questions to MNHousing.ManufacturedHomes@state.mn.us .

Grant Requirements

Review the grant contract <u>template</u> for details of the contractual requirements. In summary, all applicants awarded funding under the proposal submitted will be required to:

- Comply with all local, state and federal requirements.
- Meet all construction timelines.
- Meet all achievements proposed in the application.
- Alert Minnesota Housing staff if any material changes occur after the submission of the application.
- Maintain financial records that document the use of all program funds. Review and reconciliation of such records may be requested at Minnesota Housing's sole discretion.
- Maintain records for at least six years after the affordability period term has ended.
- Collect data, provide information and participate in evaluation and reporting conducted by Minnesota Housing.
- Sign and record a declaration that outlines affordability requirements.

Public Data

As defined in Minn. Stat.§13.599 Subdivision 3, applications remain private until applications are opened. Once opened, the name, address and amount requested become public. All other data in response is private or nonpublic data until completion of the selection process. After the selection process, all data in the application becomes public, with the exception of trade secret data.

Affordability Restrictions

Properties awarded funds will be subject to extended use affordability requirements. Review the sample 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. The affordability period will be determined by Minnesota Housing and is up to 25 years. The requirements include:

- The property will remain a Manufactured Home Park
- Manufactured Home Park owners will maintain lot rent affordable to low- or moderate-income households
- 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.

Questions?

If you have questions about the Manufactured Home Community Redevelopment Program, please contact: MNHousing.ManufacturedHomes@state.mn.us.