NYS HOME Program Manufactured Housing Replacement Administrative Plan

A Guidebook for Grantees

New York State
Office of Community Renewal
HOME Investment Partnership Program (HOME)

Table of Contents

Introduction **1**

Purpose of the Administrative Plans / How to use the Plans 1

Chapter One: Activity Eligibility **2**

Eligible Activity 2

Project Assistance Limits 2

Chapter Two: Property Eligibility **3**

Eligible Property Types 3

After Rehab Value Limit 3

Chapter Three: Financial Management **4**

Project Costs 4

Disbursements 4

Chapter Four: Homeowner Eligibility **5**

Chapter Five: Activity Regulations **6**

Substandard Condition Determination 6

Environmental Review 6

Lead Based Paint (LBP) 6

Radon *Effective for all 2023 and later contracts 6

Inspections 7

Property Standards 7

Terms of Assistance (POA) and Security Instruments 8

Manufactured Home Park Tenants Rights 8

Chapter Six: Activity Setup and Completion **9**

Set Up 9

Project Completion 9

Introduction

Purpose of the Administrative Plans / How to use the Plans

This Administrative Plan (Plan) describes the Federal and State policies, procedures, and requirements applicable to a Manufactured Home Replacement Program. **This plan is specific to this activity only and supplements the General Administrative Plan that covers all HOME activities**.

This Plan must be followed by Local Program Administrators (LPAs) in the administration of a NYS HOME Program and will be enforceable along with all aspects of the contract and Federal HOME Investment Partnership Program regulations at 24 CFR Part 92.

The Assistance Listing Number (ALN) for this Program is 14.239.

All forms and related documents referred to in this Plan are available on the HCR HOME Program website at: https://hcr.ny.gov/nys-home-program.

Acronyms used throughout the Plan:

HUD:	Housing and Urban Development
HCR:	NYS Homes and Community Renewal
HTFC:	Housing Trust Fund Corporation
LPA:	Local Program Administrator (Non-profit or Municipality)
POA:	Period of Affordability
MWBE:	Minority/Women-Owned Business Enterprise
IDIS:	Integrated Disbursement and Information System
WAP:	NYS HCR Weatherization Assistance Provider
EU:	HCR's Environmental Unit
OCR:	Office of Community Renewal

NYS HOME Local Project Manager: is assigned to the LPA at contract execution and is the HTFC OCR staff representative that will assist the LPA to administer the contract with HTFC

Chapter One: Activity Eligibility

Eligible Activity

Manufactured housing replacement allows for demolition and proper disposal of an owner-occupied, substandard manufactured housing unit and replacement with a new manufactured home in a park (where land is rented by the homeowner), cooperatives, or on land owned by the homeowner.

Programs may provide assistance to specific manufactured home parks, including overall park infrastructure and scatter site replacement units if approved at application.

The replacement unit must be installed on the same lot as the dilapidated unit existing at the time of project commitment or was demolished within the last 12 months prior to the date of commitment.

This activity is considered reconstruction for the purposes of the NYS HOME Local Program.

The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased.

New manufactured units must meet NYS and/or Local Code upon completion, be installed according to the Manufactured Home Construction and Safety Standards at 24 CFR Part 3280 and in compliance with Permanent Foundation Requirements at 92.251(e) upon completion.

All new manufactured units and appliances must be Energy Star rated and/or meet Energy Star standards.

Project Assistance Limits

HOME funds may not exceed $170,000 per unit, inclusive of all costs. Waivers to exceed this limit may be requested through Program Managers.

The amount of HOME funds necessary for manufactured housing replacement must be “right sized” for the individual homeowner’s financial situation and, if applicable, based on the cost necessary to meet program property standards.

All projects must meet an underwriting and subsidy layering review. See Chapter 4 for more information on underwriting.

Chapter Two: Property Eligibility

Eligible Property Types

Owner-occupied, sub-standard manufactured or mobile housing unit. Unit must be documented in the file to be substandard at the time of replacement.

After Rehab Value Limit

The estimated value of the property after the replacement cannot exceed the HOME Homeownership Value Limits (maximum purchase price/after rehab value) as published annually by HUD at the time of project commitment, available at HOME Homeownership Value Limits - HUD Exchange. LPAs must use Existing Homes HOME/HTF Purchase Price Limits.

HTFC requires an LPA to determine after rehabilitation value by using one of the following methods:

1. Licensed Appraisal - Full appraisal prepared by a licensed appraiser.

2. Real Estate Market Assessment (Comparative Market Analysis) - An examination/comparison of the prices at which similar, nearby homes recently sold prepared by a real estate agent.

Chapter Three: Financial Management

Project Costs

Project costs are those permitted by the NYS HOME Local Program Budget Policy available in Chapter 2 of the General Administrative Plan.

Examples include:

- Manufactured home replacement hard costs necessary to replace the sub-standard unit with a new manufactured unit that is Energy Star rated to meet NYS and/or Local Code upon completion.
- Cost for standard energy star rated appliances for the new manufactured unit are eligible (stove, refrigerator, air conditioning, dishwasher, and minor landscaping).
- Site improvements and connections to off-site utilities necessary to complete the manufactured home replacement.
- Soft costs related to the replacement of the unit.
    - Project delivery
    - Other third-party costs necessary to implement the improvements, such as permits, inspections, legal and recording fees.
- Relocation costs as necessary.

Disbursements

Please refer to the Program General Administrative Plan for details on Disbursements.

Please note - Because HOME is a reimbursement program, LPAs are encouraged to obtain a Line of Credit to fund the cost of replacements. Advances of funds are not permitted.

Disbursement of funds for rehabilitation work (foundation, site work, placement) require submission of a certification, signed by the LPAs construction professional, the homeowner, and contractor stating that the work has been satisfactorily completed.

Final disbursement requests must include documentation of code compliance and the signed property attestation. The completion form must be submitted at final disbursement.

Chapter Four: Homeowner Eligibility

At the time of application, the LPA must document that the homeowner:

- Owns the manufactured unit (and land if applicable)
    - Units manufactured in 1995 and after require a title through NYS DMV, therefore should be able to provide a title as documentation of ownership regardless if in a park or on personally owned land.
    - For units on personally owned land a deed to the land should also be provided demonstrating ownership as the land and the unit are separately owned.
    - For unit models pre-1995 (or less than 8ft x 40ft), a bill of sale is the preferred documentation of ownership. If not available, alternate documentation showing due diligence investigating ownership is permitted. Examples depending on circumstance could be a letter from the park owner acknowledging to the best of their information who the owners of the unit are, a notarized statement from the owners of the unit conceding ownership, and a memo to the file documenting what was investigated and why a bill of sale or title is not available, etc.
- Lives in the property as their primary residence (by obtaining a copy of utility bill, bank statement, and/or canceled mail with their name and address)
- Is current on mortgage(s)
- Is current on property taxes, fees owed to the municipality, rents for park owned land
- Homeowner has and maintains full replacement value homeowner's and/or flood insurance as necessary and premiums are paid up to date. Should a homeowner not be eligible for homeowners' insurance due to the condition of the property, but receive repairs funded by HOME that would make the unit eligible after rehabilitation, this documentation can be collected after project completion.

Chapter Five: Activity Regulations

Substandard Condition Determination

At the outset of the activity, the LPA must determine and document that the unit is substandard, and rehabilitation of the unit would not be feasible in order to proceed with replacement.

Environmental Review

New units more than 122% larger than the old unit will require an explosive hazards survey and comply with any explosive and flammable hazards on the Tier 2 checklist.

Any replacements in parks or coops must be clearly identified up front at application and Tier 1 review so that the proper environmental regulations are followed. Programs that replace more than one unit in a park require a full NEPA review as a non-tiered review for all sites within the park. This includes publishing a public notice, a public comment period, and a HUD decision period.

Lead Based Paint (LBP)

Manufactured home replacement activity does not require a LBP risk assessment or LBP testing for the unit that is being disposed of and/or going to be demolished. The new unit also will not be required to be tested for LBP.

The substandard unit to be demolished must be disposed of in a disposal/recycling facility that is certified by the NYS Department of Conservation (DEC) to receive, process and recycle and/or dispose of mobile/manufactured home components.

Radon ***Effective for all 2023 and later contracts**

Radon is a radioactive gas that presents health and safety issues for indoor air quality and should be mitigated along with all other structural and environmental health and safety concerns. The radon requirements are applicable to Homeowner Rehabilitation and Manufactured Home Replacement activities.

In accordance with the recent HUD Notice CPD-23-103, all projects must consider radon in the contamination analysis for 24 CFR Part 58. Please note that the HUD notice DOES NOT consider the New York EPA Map of Radon Zones as sufficient documentation for individual project radon concentrations. Below is a brief review of how this process will work to ensure HUD compliance:

Radon testing is not required for Mobile Home Replacement Tier 2 submission prior to unit installation, but must be conducted after new unit installation. Should the post work testing indicate concentrations of radon above the EPA action level of 4 pCi, a passive radon mitigation system must be installed and the unit retested. If the retesting still indicates radon levels above the EPA action level, the system must be activated and retested again. Ultimately acceptable results with radon levels below the EPA action level limit must be submitted to environmental.reviews@hcr.ny.gov prior to project closeout. It is highly advisable to include radon reduction measures in the base scope of work to avoid costly retrofits, especially in areas with high radon levels. Testing prior to rehabilitation work will not preclude the need for postconstruction testing.

Best practice suggests:

1. Including a passive radon mitigation system in the unit design so that the 3 inch ventilation pipe is included during factory construction.

2. Include connections and hook up of the mitigation system in the site work scope where contractors will install the rest of the mitigation system within the foundation.

Once radon testing is complete, the radon system could be activated if needed.

Inspections

The file must document the following to determine that work was done satisfactorily in accordance with the work scope, signed contract, and required property standards.

- A Pre-Construction Conference
- Initial Inspection
- Progress Inspections
- Final/Completion Inspections

The LPA rehabilitation specialist, homeowner, and contractor must sign and date these certifications.

All payments to contractors must be signed off by the LPA construction professional, homeowner, and the contractor and submitted with disbursement requests.

The LPA must complete the Property Standard Attestation form based on their own independent site visit in addition to obtaining NYS code compliance sign off from an official qualified to certify NYS code compliance and documentation of both retained in project files.

The Form is located on the HOME website https://hcr.ny.gov/nys-home-program.

Property Standards

The replacement manufactured unit, at a minimum, must meet the following standards:

- The new unit must meet the Manufactured Home Construction and Safety Standards at 24 CFR Part 3280 (which preempt State and Local codes covering the same aspects of performance for such housing).
- Installation must comply with applicable State and Local laws or codes, or in the absence of such laws or codes, the manufacturer's instructions for installation.
- The unit must be installed on a permanent foundation meeting the requirements of 24 CFR 203.43f(c)(i).
- The unit must be connected to permanent utility hookups.
- The sub-standard unit to be demolished must be disposed of in a disposal/recycling facility that is certified by the NYS Department of Conservation (DEC) to receive, process and recycle and/or dispose of mobile/manufactured home components.
- While not required, it is highly advisable to include radon reduction measures in the base scope of work to avoid costly retrofits. Radon test results below the EPA action level limit must be submitted prior to project closeout. See Radon section for more information.

Regarding Asbestos Containing Materials (ACM's), if the unit is not being demolished and can be disposed of whole, the LPA is not required to remove asbestos prior to disposal of the sub-standard unit but must ensure disposal of the unit in an NYS Department of Conservation (DEC) accredited disposal facility. The certified facility will perform the required techniques for identifying and handling ACMs as a part of the disposal in their facility. In addition, the LPA must certify on the Tier 2 site specific review checklist template, that all ACM's will be disposed of at a DEC licensed facility.

If the old unit needs to be demolished prior to disposal, ACM testing and ACM removal must be done prior to demolition.

Terms of Assistance (POA) and Security Instruments

HTFC requires that HOME assistance be secured with an HTFC approved security instrument. The Period of Affordability for Manufactured Housing Replacement is 10 years.

Replacement of units in parks or coops require additional security documents. See link for Security Instrument(s) to File Based on Activity Chart for more information → https://hcr.ny.gov/nys-home-program

The security instrument is signed prior to setup in IDIS, typically when the purchase/site work contracts are signed. It is then resigned, dated and recorded at the County clerk's office after the unit has been delivered and completed. The original instrument is destroyed. The date the security instrument is fully executed is the start of the Period of Affordability.

Only hard costs, such as the purchase of the unit and site work amount should be included in the amount of the security instrument. Project soft costs and/or project delivery should not be included in the security instrument.

The LPA must keep a copy of the signed security instrument in the client file before the original gets sent for public filing and recording.

Once the project is completed, LPAs must ensure HTFC receives a filed copy of the recorded note and mortgage from the County Clerk.

See also Chapter 5, Securing HOME Funds and Period of Affordability of the General Administrative Plan.

Manufactured Home Park Tenants Rights

Section 233 of the New York State Real Property Law (RPL 233) governs tenants' rights in manufactured home parks. New York State Division of Homes and Community Renewal (DHCR) has the authority to enforce this law. The Manufactured Homes Program was created to allow tenants to inquire about their rights under RPL 233 or initiate complaints if they feel their rights are being violated. Trained staff work with park owners and tenants to resolve disputes in compliance with the requirements of the statute.

LPAs that provide assistance to tenants living in a manufactured home park must understand all information posted here Mobile & Manufactured Homes | Homes and Community Renewal

At a minimum LPAs must provide assisted tenants living in a park with a copy of summary-of-new-york-state-manufactured-home-park-tenants-rights.docx located at the bottom of the webpage. The tenant should sign a confirmation of receiving this document which should then be saved in the file as proof of receipt. Several other documents and resources are available on the website and should be conveyed as applicable.

10 Years	• Regardless of amount of funding

Chapter Six: Activity Setup and Completion

Set Up

A Manufactured Housing Replacement Set Up Form located on the HOME website should be submitted when:

- The unit has received Tier 2 environmental approval
- A budget and schedule have been established
- Project underwriting and subsidy layering has been completed
- A written agreement for assistance between the LPA and homeowner has been signed and dated
- Scope of work for replacement has been completed, the work and purchase contracts have been signed and the work is scheduled to start.
- The HTFC note and mortgage has been executed.
- First File Part 1 is approved

The setup amount should include hard costs, soft costs, and project delivery.

All set ups should be submitted to the HOME IDIS mailbox at: homeidis@hcr.ny.gov

Project Completion

The Completion Report should be submitted with the final disbursement for the project when:

- All construction work has been performed.
- The project complies with the required HOME Property Standards.
- The project complies with NYS and/or Local Code requirements upon completion.
- The homeowner, LPA and Contractor have signed a statement that all construction activity is complete and satisfactory according to program requirements.
- The final drawdown of HOME funds has been submitted for the project.
- The HTFC note and mortgage has been recorded and the documents have been forwarded to HTFC.
- First File Part 2 documentation has been submitted to PM for review and approval

All completions must be submitted to the HOME IDIS mailbox at: homeidis@hcr.ny.gov.