

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

POLICIES AND PROCEDURES

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REVISED: January 2020

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LEGISLATIVE INTENT

The Delaware Manufactured Home Relocation Authority (“Authority”) was established by the Delaware Legislature pursuant to **25 Del. C. §7041.** The primary purpose of the Authority is to: (a) provide financial assistance to manufactured home owners who are tenants in a manufactured home community where the community owner changes the use of the land or converts the manufactured home community to a condominium or cooperative community; (b) to provide financial assistance to manufactured home community owners for the removal and/or disposal of non-relocatable or abandoned manufactured homes when there is a change in use or a conversion; (c) appointing an attorney to serve as an arbitrator for rent increase dispute resolution; and notifying tenants of their right of first offer (ROFO) before the sale of a manufactured home community in accordance with **25 Del. C. §7027.**

PROGRAM INTENT

The Authority was established by the Legislature to administer the Trust Fund. To carry out its regulatory responsibilities, the Authority -was - directed to adopt a plan of operation and articles, by-laws, and operating rules, and to establish procedures under which applications for payment from the Authority could be approved. The Authority has adopted a comprehensive set of bylaws (which are included herein under Part A) and Organizational Regulations and Rules of Procedure (which are included herein under Part B). Guidelines and Procedures for use in the administration of the Trust Fund and processing applications for assistance are included herein under Part C.

The Authority, pursuant to 25 Del. C. §7042(g)(1)a,b,c,d,(g)(2)a1,2, originally set an initial \$3.00 monthly assessment for deposit into the Delaware Manufactured Relocation Trust Fund (“Trust Fund”), which is now \$4.50 per month. This assessment became effective January 1, 2020. The lot’s owner will be responsible for \$2.00 for each lot. The lot’s tenant will be responsible for a monthly assessment of \$2.50, which is to be collected by the landlord (community owner) each month as additional rent. Fifty cents (\$0.50) of the \$2.50 will be placed in an “attorney fund” for the tenant and managed by the Department of Justice. **As a manufactured home community owner, you are required to complete a MHR Tax Form for each quarter indicating the number of lots rented, total amount collected from each tenant and total amount collected from the community owner. Community Owners must not send one check for all four (4) quarters. They must send a separate check for each quarter.**

As of January 1, 2021, the Department of Finance launched a new Delaware Taxpayer Portal. This portal allows for ACH online payments of the monthly assessments by visiting <https://tax.delaware.gov/rtpportal/home>.

Updated: January 27, 2023

PART A

BY-LAWS OF THE DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

ARTICLE I

FORMATION

1. Formation of Authority. The Delaware Manufactured Home Relocation Authority ("Authority") established pursuant to 25 Del. Code Section 7041 et. seq. for purposes of the administration and operation of The Delaware Manufactured Home Relocation Trust Fund (the "Fund"), accepts and assumes its responsibilities to administer the Fund and carry out the goals outlined in the aforesaid statute, and hereby adopts these By-Laws..

2. Powers of Authority. The Authority, acting through its Board of Directors (the "Board"), shall have the power to employ or retain such persons as are reasonable and necessary in the business judgment of the Board to perform the administrative and financial transactions and fiduciary responsibilities of the Authority, and to perform other necessary and proper functions not prohibited by law.

3. Revenues and Expenditures. The Authority shall be responsible for all direct and indirect costs for its operations, including but not limited to, receipts and disbursements, personnel, rental of facilities, and reimbursement to other State agencies for services -rendered, and must be fiscally revenue-neutral.

4. Borrowing of Funds. The Authority shall have the right to borrow from private finance sources and issue notes or vouchers in order to meet the objectives of the Authority and those of the Fund.

ARTICLE II

DIRECTORS

1. FUNCTIONS AND DEFINITION. The business of the Authority shall be managed by the Board. The use of the term "Board" herein refers to the total number of directors which the Authority would have if there were no vacancies.

2. QUALIFICATION AND NUMBER. The Board shall consist of five (5) voting, and one (1) non-voting member. One (1) member of the Board shall be appointed by the Governor of the State of Delaware (the "Governor"). That person shall serve as Chair. One member shall be appointed by the Governor from the largest not-for-profit association representing manufactured homeowners in the State of Delaware. One member shall be appointed by the Governor from the largest not-for-profit association representing the manufactured home industry in the State of Delaware. One (1) member is appointed by President Pro Tempore of the Senate, and one (1) member is appointed by the Speaker of the House. One non-voting member is appointed by the Attorney General as a

representative of the Consumer Protection Unit of the Department of Justice. All board members must reside in the State of Delaware.

3. TERM. All members of the Board shall serve two (2) year terms, which can be renewed by the appointing authority.

4. MEETINGS.

TIME: Meetings shall be held at such time as the Board shall fix, but shall be held at least quarterly. All meetings of the Board shall be subject to the provisions of the Delaware Freedom of Information Act, Chapter 100 of Title 29, and except for executive sessions, shall be open to the public and advance notice will be given in accordance with applicable statutory requirements.

PLACE: Meetings shall be held at a central location in the State of Delaware unless a different location is agreed to by 75% of the Board members.

SPECIAL MEETINGS: Special meetings may be called by or at the direction of the Chairperson, or at the direction of a majority of the directors in office.

PUBLIC NOTICE OR ACTUAL OR CONSTRUCTIVE WAIVER: Written notice of the time and place shall be given for meetings in sufficient time for the convenient assembly of the directors, and shall be issued in compliance with Delaware law, including the provisions of 29 Del. Code Section 10004(e). An agenda will be published on the DEMHRA Website and sent to each director no less than seven (7) days before the next scheduled meeting, if feasible, provided however that the agenda may be modified as necessary in advance of a meeting in which case the maximum period of notice will be required. Any requirement of furnishing a notice shall be waived by any director who signs a written waiver of such notice before or after the time stated therein.

QUORUM AND ACTION: -Three (3) directors shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except as herein otherwise provided, and except as otherwise provided by the provisions of 25 Del. Code Section 7041 et. seq., the act of the Board shall be the act by vote of a majority of the directors present at a meeting, a quorum being present. A Director is not entitled to vote on any matter before the Authority if such Director knowingly has a financial interest in the outcome of such matter, and in such case, the Director shall inform the Chairperson of his or her conflict and said information shall be recorded in the minutes of the meeting.

CHAIRPERSON OF THE MEETING: The Chairperson of the Board, who shall be appointed by the Governor, shall preside at all meetings. If, however the Chairperson is unable to attend the meeting, the meeting shall be presided over by any other director chosen by the Board.

5. COMMITTEES. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the Authority. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Authority, and may authorize the seal of the Authority to be affixed to all papers which may require it. In the absence of disqualification of any member of any such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not they

constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

6. GENERAL POWERS OF DIRECTORS. The Board of Directors shall have the power and authority to manage the affairs of the Authority and to carry out the management of the business of the Authority, to the fullest extent allowable by law, and as authorized by the Authority's enabling legislation and the amendments thereto.

7. SPECIFIC POWERS OF DIRECTORS. Without prejudice to such general powers it is hereby expressly declared that the Directors shall have the following powers, to-wit:

- (1) To adopt and alter a common seal of the Authority;
- (2) To make and change regulations, not consistent with these By-Laws, for the management of the Authority's business and affairs;
- (3) To purchase or otherwise acquire for the Authority any property, rights or privileges which the Authority is authorized to acquire;
- (4) To pay for any property purchased for the Authority;
- (5) To borrow money from private finance sources and to make and issue notes, bonds, vouchers and other negotiable and transferable instruments in order to meet the objectives of the Authority and those of the Fund established pursuant to 25 Del. Code Section 7042;
- (6) To appoint an Executive Director, and such subordinate officers, employees, or agents as the Board may deem necessary to perform the administrative and financial transactions and responsibilities of the Authority and to perform such other necessary and proper functions not prohibited by law, and to determine their duties, and fix, and from time-to-time change their salaries or remuneration;
- (7) To adopt a plan of operation and articles, bylaws, operating rules, rules of practice and procedure and regulations to govern how the internal affairs of the Authority are conducted, which shall include a general description of the Authority's organization, its methods of operations, and the manner, including addresses and telephone numbers, whereby the public may obtain information and otherwise deal with the Authority, and a statement of the nature and requirements of all rules of practice and procedure used by the Authority to exercise its statutory authority in compliance with the Delaware Administrative Procedures Act;
- (8) To establish procedures under which applicants for payments from the Authority, as authorized under 25 Del. Code Sections 7042-7045, may be approved;
- (9) To determine who shall be authorized on the Authority's behalf to make and sign bills, notes, acceptances, *endorsements, checks, releases, receipts, contracts and other instruments*;
- (10) To delegate any of the powers of the Board in relation to the ordinary business of the Authority to any standing or special committee, or to any officer or agent (with power to sub-delegate), upon such terms as the Board deems proper;
- (11) To authorize payments and adjust, eliminate, or reinstate the Fund assessment established pursuant to 25 Del. Code Section 7042 only if a minimum of 75% of the members of the Board approve the payments or assessments;

(12) To set the monthly assessment to be paid by manufactured home tenants and manufactured home community landlords, as required by 25 Del. Code Section 7042(g)(1)a–d, (2)a–d;

(13) To establish the maximum relocation payment to be made by the Authority pursuant to 25 Del. Code Section 7043(a)(b);

(14) To establish the criteria for determining whether or not it is feasible to relocate a manufactured home, as required by 25 Del. Code Section 7043(d)(1)(2);

(15) To approve certified manufactured home appraisers pursuant to 25 Del. Code Section 7043(d)(2);

(16) To authorize agents and representatives to issue on behalf of the Authority promissory notes pursuant to 25 Del. Code Section 7044(c) and 7045(b); and

(17) To retain by contract auditors, accountants, appraisers, legal counsel, private consultants, financial advisors, or other contractual services required by the Authority.

8. TRAVEL AND EXPENSES. Directors, with the approval of a majority of disinterested directors, may be reimbursed from monies of the Authority for actual and necessary expenses incurred by them as directors. **(Updated March 30, 2023)**.

ARTICLE III

EXECUTIVE DIRECTOR

1. Appointment of Executive Director. The Board shall elect an Executive Director of the Authority who shall be an employee of the Authority. The Executive Director of the Authority shall be a resident of Delaware, and shall possess such skills and experience as the Board deems appropriate.

2. Term. Unless otherwise provided in the resolution of election or appointment, the Executive Director serves at the pleasure of the Board and shall be subject to removal at any time by the Board, with or without cause.

3. Duties. The Executive Director shall be responsible for developing and recommending a plan of operation for the Authority and for implementing the statutory duties of the Authority. The Executive Director shall be responsible for appointing, subject to the approval of the Board, employees and agents of the Authority as staff members and fixing their compensation. The Executive Director shall be responsible for the general management and control of the business and affairs of the Authority, and shall see that the books, reports, statements and certificates required by the statute under which the Authority is organized or any other laws applicable thereto are properly kept, made and filed according to law.

4. Evaluations. Evaluations shall be administered once a year, no later than July 1st. Observation of the Executive Director's performance shall be conducted by the Board Chair with input from the other board members. The Board Chair shall rate the performance of the

Executive Director as Exemplary, Satisfactory or Unsatisfactory. If the Board Chair determines that the Executive Director's overall performance may lead to an unsatisfactory rating or disciplinary action, the Chair will discuss the situation with the other board members. The Board has the right to terminate employment with or without cause.

5. Salaries. Salaries are determined by the Board of Directors.

6. Benefits. The Executive Director receives 15 days of annual leave, 10 days of sick leave, and all State holidays off. Sick leave days cannot be carried over into the next year.

ARTICLE IV

DEMHRA ASSISTANTS

1. Appointment. The Board shall appoint a person(s), who need not be a member of the Board, to act as the DEMHRA Assistant(s).

2. Duties. At the direction of the Executive Director, the DEMHRA Assistant(s) shall give, or cause to be given, notice of all meetings of the directors, and all other notices required by law or by these by-laws, and in case of his or her absence or refusal to do so, any such notice may be given by any person thereunto directed to do so by the Executive Director or by the Board, upon whose requisition the meeting is called as provided in these by-laws. The DEMHRA Assistant(s) shall record all the proceedings of the meetings of the Authority and of the Board, and any committee thereof in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him or her by the Board or the Board's designated representative. The DEMHRA Assistant(s) shall have the custody of the seal of the Authority, if any, and shall affix the same to all instruments requiring it, when authorized by the directors, and attest the same.

3. Evaluations. Evaluations for the DEMHRA Assistants shall be administered once a year by July 31st. Observation of their performance shall be conducted by the Executive Director. Their performance shall be rated as Exemplary, Satisfactory, or Unsatisfactory. If the Executive Director determines that either of their performances is unsatisfactory, that employee will be placed on a performance improvement plan for three (3) months. If after three (3) months, their performance has not improved, the Executive Director may recommend to the Board that their employment be terminated. The Executive Director also reserves the right to recommend termination for conduct unbecoming of a person occupying that position.

4. Salaries. Salaries for all employees are determined by the Board of Directors.

5. Benefits. All full-time employees receive 15 days per year of annual leave and 10 days per year of sick leave and cannot carryover sick leave days. Part-time employees will be granted up to three (3) days of annual leave and three (3) sick leave days per year as well as up to five (5) paid holidays off per year after six (6) months of continuous employment.

ARTICLE V

COMPLIANCE INVESTIGATOR DUTIES AND RESPONSIBILITIES

Duties and Position: Contractor is hired as an independent contractor to perform the duties of Compliance Investigator. The Contractor shall perform all of the duties and responsibilities set forth in Exhibit A attached hereto, and such other duties and responsibilities as are assigned by the Board of Directors of DEMHRA and/or Executive Director. The Contractor's services are part-time on an as-needed basis. Contractor shall not work more than twenty (20) hours per week without the express advance written consent of the Executive Director. The Contractor shall be required to provide, at his/her expense (except for the mileage reimbursement rate provided for herein) an automobile for use in connection with the performance of his/her duties hereunder, a computer, cell phone, and related office supplies.

ARTICLE VI

HOA REGISTRATION ELIGIBILITY REQUIREMENTS

To be in good standing, HOA's are required to register annually with DEMHRA.

The HOA registration will include the following:

- Copy of most recent bylaws
- Proof of incorporation with the State of Delaware for the current year
- Complete list of current officers and contact information
- Proof of payment of annual State of Delaware Franchise Tax

ARTICLE VII

CONTROL OVER BY-LAWS

The power to amend, alter, and repeal these by-laws and to adopt new by-laws shall be vested in the Board.

ARTICLE VIII

ANNUAL AUDIT

By law, the Authority's financial records must be audited annually. Del Code 25 Section 7042 5(i) gives the Authority the option of paying the State Auditor's Office to perform the audit, or solicit an independent auditor through the competitive bid process. In 2012 the Board decided to solicit bids and selected Raymond F. Book and Associates to audit the Authority's records on an annual basis. The contract for auditing is renewable every three years from 2012. The completed audit shall be made available to the public for inspection by either placing it on a website, or by a FOIA Request.

ARTICLE IX

PARLIMENTARY MATTERS

In all matters not covered under 25 De. Code Chapter 70 or these by-Llws, Roberts Rules of Order shall apply

Updated: April 8, 2022

PART B

ORGANIZATIONAL REGULATIONS AND RULES OF PROCEDURE

1. General Description of the Authority's Organization.

The business of the Authority is managed by the Board of Directors. The Board consists of five voting members and one non-voting member. All actions taken by the Board shall be taken pursuant

to the by-laws of the Authority, as heretofore adopted, or as the same may be amended from time to time.

2. Authority Contact Information.

The Authority's principal headquarters shall be located at 1979 S. State Street, Dover, Delaware 19901. Members of the public may obtain information regarding the Authority by writing to the Authority at that address or they may contact the Authority at the following telephone number: 302-674-7768

3. Executive Director

The day-to-day affairs of the Authority shall be managed by an Executive Director who shall be appointed by the Board of Directors pursuant to the by-laws.

4. Accounting for Funds.

Assessments collected by the Authority shall, pursuant to 25 Del. C. §7042(a), be deposited into the Delaware Manufactured Home Relocation Trust Fund ("Trust Fund") established with the Delaware Division of Revenue of the Department of Finance. The Trust Fund shall be for the exclusive use by the Authority to fund the Authority's administration and operations. Interest earned from the monies in the Trust Fund shall be deposited into the Trust Fund. The Authority shall maintain an operating account at a bank selected by the Board of Directors for use by the Authority in paying the day-to-day administrative costs of the Authority. All disbursements out of the Authority's operating account shall require the signature of at least two members of the Board of Directors, unless the Board, by resolution, determines otherwise.

5. Delaware Manufactured Home Relocation Trust Fund – MHR-TAX FORM

Pursuant to Chapter 70 of Title 25 of the Delaware Code the owner of each manufactured home community must remit a monthly assessment for each rented lot to the Delaware Manufactured Home Relocation Trust Fund. Effective as of January 1, 2020, the monthly assessment will be \$4.50 per lot. The lot's owner will be responsible for \$2.00 for each lot. The lot's tenant will be responsible for a monthly assessment of \$2.50, which is to be collected by the landlord each month as additional rent. An assessment is not due or collectable for a vacant lot. If a lot is rented for any portion of a month, the full monthly assessment must be paid to the Trust Fund by both the tenant and the owner.

The relocation Trust Fund has been created to financially assist manufactured-home owners forced to relocate due to land-use changes. The fund will pay for the relocation and non-relocation expenses of the affected homeowners, as well as for the removal and/or disposal of abandoned homes left in a community.

Included with MHR-TAX Form is a listing for delinquent tenants who have failed to pay their portion of the monthly Trust Fund assessment. Owners are required to report all delinquent tenants each quarter. Please photocopy if you need additional pages. Owners still responsible for their portion of the assessment (\$2.00) for each month even if a tenant has failed to pay. **If a delinquent tenant pays for a prior quarter, please report it on Line 4, Column B.**

The assessment documents and payments are due the twentieth day of the month after the close of each calendar quarter. Should you have any questions regarding the assessment form,

please call the Division of Revenue at (302) 577-8681. For questions regarding the Authority, please call the Delaware Manufactured Home Relocation Authority a (302) 674-7768.

Every owner and/or landlord of a manufactured-home community who falls under Chapter 70, must complete the MHR-Tax Form on a quarterly basis. Please remit assessment form with payment to the following address: **DELAWARE DIVISION OF REVENUE, P.O. BOX 2340, WILMINGTON, DE 19899-2340.**

Please include the community name and address on each return. The community address (no P.O. boxes) of the community in which the Manufactured Home Relocation Trust Fund payments were collected.

The MHR-TAX Form can be found in Appendix C, DEMHRA Tax Form Completion Instructions in Appendix C – Page 1, and on the Delaware Manufactured Home Relocation Authority Website: demhra.delaware.gov.

6. Operating Procedures for Proper Control of Disbursements of Authority Funds.

In order to effectively disburse funds while complying with the financial reporting requirements of the Authority, the Authority shall comply with the “Operating Procedures for Proper Control of Disbursements”, as approved by the Board of Directors.

7. Conduct of Directors, and Employees of the Authority.

In carrying out their respective responsibilities and duties, the board, and employees of the Authority shall comply with the provisions of Subchapter I, of Title 29, Chapter 58 relating to conflicts of interest. No board member, or employee of the Authority may participate on behalf of the Authority in the review or disposition of any matter pending before the Authority in which said person has a personal or private interest. A personal or private interest in a matter is an interest which tends to impair a person’s independence of judgment in the performance of the person’s duties with respect to that matter. No board member, or employee may represent or otherwise assist any private enterprise with respect to any matter before the Authority with which the director, or employee is associated by employment or appointment. Each director, and employee of the Authority shall endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is engaging in any acts which are in violation of the public trust and which will not reflect unfavorably upon the Authority. No director, or employee of the Authority shall accept any compensation, gift, payment of expenses or any other thing of monetary value under circumstances in which such acceptance may result in impairment of independence of judgment in the exercise of said person’s duties or have any adverse effect on the confidence of the public in the integrity of the Authority. Any board member, or employee of the Authority who has a financial interest in any private enterprise that does business with the Authority shall file with the State Public Integrity Commission a written statement fully disclosing the same. No board member, or employee shall use his position with the Authority to secure unwarranted privileges, private advancement or gain. No board member, or employee of the Authority shall, beyond the scope of such person’s position with the Authority, disclose confidential

information gained by reason of such position with the Authority nor shall such individual otherwise use such information for personal gain or benefit.

8. Reimbursement of Expenses.

Members of the Board of Directors, and employees of the Authority shall be reimbursed from monies of the Authority for actual and necessary expenses incurred by them on behalf of the Authority provided that the type of expense incurred is approved in advance by the Board of Directors. Each member of the Board of Directors shall be entitled to a mileage reimbursement at the rate set forth in 29 Delaware Code Section 7012 (or such future reimbursement rate that may be promulgated) for travel to and from meetings of the Board of Directors of the Authority. Any employee of the Authority shall be entitled to mileage reimbursement at the same rate for travel related activities on behalf of the Authority, exclusive of travel to and from their respective place of employment.

9. Borrowing Funds.

Pursuant to 25 Del. C. §7041(d), the Authority, acting through its Board of Directors, may borrow from private finance sources and issue notes or vouchers in order to meet the objectives of the Authority and those of the Trust Fund, on such terms and conditions as deemed appropriate by the Board of Directors. No individual member of the Board of Directors shall be personally liable for any funds borrowed by the Authority.

10. Meetings of the Authority.

The Board of Directors of the Authority shall hold regular meetings on at least every six (6) weeks at a location in Kent County, Delaware as designated by the Board, or such other location as approved by 75% of the Board members.

11. Staff Members.

The Staff Members employed by the Authority, including the Executive Director, shall be responsible for reviewing applications for financial assistance under the Act and making recommendations to the Board of Directors with respect to such applications. In reviewing applications, the Staff Members shall comply with the Policies and Procedures of the Authority.

12. Proof of Mailing Notification

The purpose of the proof of mailing notification is to verify the date of actual mailing.

When sending any correspondence to homeowners, the community owner shall complete a proof of mailing form indicating the names, addresses, and date that the correspondence was mailed to the homeowners.

PART C

GUIDELINES USED FOR THE ADMINISTRATION OF THE DELAWARE MANUFACTURED HOME RELOCATION TRUST FUND

The Authority is granted authority to establish rules and regulations and establish criteria for the disbursement of benefits available to landlords and tenants under the provisions of 25 Del. C. §7011-7045 et. seq. (the "Act"). The regulations set forth below establish criteria for benefits eligibility, pursuant to the statute, application procedures, application review procedures, and payment procedures.

1. Change In Land Use

1.1 Landlord provides all affected tenants with at least one (1) year termination of non-renewal notice.

1.2 Landlord cannot increase lot rent after giving notice of change in use.

1.3 Landlord provides a relocation plan to each affected tenant. The plan must include the following:

- (a) The location, telephone number, and contact person of other manufactured home communities, known to the landlord after reasonable effort, within a 25-mile radius of the manufactured home community where the change of land use is intended.
- (b) The location, telephone number, and contact person of housing for tenants with disabilities and for older tenants, known to the landlord after reasonable effort, with a 25-mile radius of the manufactured home community where the change of land use is intended.
- (c) A listing, known to the landlord after reasonable effort, of government and community agencies available to assist tenants with disabilities and older tenants.
- (d) A basic description of relocation and abandonment procedures and requirements.
- (e) A preliminary indication of whether a tenant's manufactured home can or cannot be relocated.
- (f) A copy of this section of the Code.

Updated: March 14, 2023

1.4 Plan must be submitted to DEMHRA at the same time it is submitted to tenants.

1.5 Distribute updated plan to affected tenants and DEMHRA every three (3) months. The date of the termination of the tenants rental agreement will be extended by one (1) month for each month the quarterly update is not submitted.

2. Criteria for Tenant Benefits

2.1 Only "Tenants", as defined under the Act, are entitled to benefits under the Act. **A Tenant is defined to mean an owner of a manufactured home who has tenancy of a lot in a manufactured home community.** Notwithstanding anything stated herein to the contrary, a Tenant shall not be entitled to any of the benefits described herein unless all of the statutory requirements set forth in the Act have been met.

2.2 A Tenant is entitled to relocation benefits under the Act if the Tenant is required to move due to a change in use or conversion of the land in a manufactured home community. A Tenant is not entitled for compensation for relocation if: (a) the Landlord (at the Landlord's expense) moves the Tenant's manufactured home by mutual consent to another lot in the manufactured home community or to another manufactured home community; or (b) the Tenant is vacating the manufactured home community and so informed the Landlord before notice of the change in use was given by the Landlord; or (c) the Tenant abandons the manufactured home; or (d) the Tenant has failed to pay the Tenant's share of the Relocation Trust Fund assessment during the course of his or her tenancy.

2.3 The maximum relocation payment available to a Tenant is \$12,000 for a single section home or \$16,000 for a double-wide home.

2.4 If a Tenant is required to move due to a change in use and complies with the statutory requirements of 25 Del. C. §7043, the Tenant is entitled to payment from the Relocation Trust Fund of the lesser of: (a) the actual relocation expenses of moving the manufactured home and existing appurtenances to a new location within a 25-mile radius of the vacated manufactured home community, or (b) the maximum benefits available under Section 1.3.

2.5 Moving expenses which are eligible for reimbursement include:

(a) The cost of taking down, moving, and setting up the manufactured home in the new location.

(b) Interim relocation housing per diem for tenants who will be out of their homes a week to 10 days, and may require some type of financial assistance from

Updated: March 14, 2023

the time their home is moved to a new location until the time they can move into their home.

(c) Interim Housing Stipend for Tenants Being Relocated

An Interim housing stipend is a reimbursement to displaced tenants while their home is relocated to another community. At its May 19, 2022 meeting, the DEMHRA Board approved reimbursing a displaced tenant \$100.00 per day with a cap of \$1,000.00 to defray interim housing costs. Proof of payment of expenses must be presented to DEMHRA within 30 days to be reimbursed.

2.6 In certain circumstances, a manufactured home may be considered non-relocatable. If, based upon the criteria described herein, a Tenant's manufactured home is determined by the Authority to be non-relocatable. **For the purpose of this section, a manufactured home is considered non-relocatable if it has been determined by a certified mobile home mover to be**

structurally “unsound,” will not be accepted at another mobile home community due to age; or is pre-HUD (built before June 15, 1976).

2.7 The Tenant may qualify for compensation to be reimbursed for the value of the non-relocatable home. The maximum non-relocatable benefit for a single-wide is \$12,000 and the maximum non-relocatable benefit for a double-wide is \$16,000, or the appraised value, whichever is lower.

2.8. Whether or not a home can or cannot be relocated will be determined by the Authority based upon the following criteria:

(a) the availability of a replacement home site within a 25-mile radius of the vacated manufactured home community;

(b) the feasibility of physical relocation, including the ability of taking down, moving and setting up the home in a new location without causing significant structural damage to the manufactured home in the process;

(c) the appraised value of the manufactured home in comparison to the projected cost of relocating the manufactured home to a new location.

2.9. If the Authority determines that the Tenant’s manufactured home cannot be relocated, the Tenant shall obtain, an appraisal prepared by a certified manufactured home appraiser for purposes of determining the fair market value of the home and any existing appurtenances. The appraisal shall exclude the value of the underlying land. The maximum benefits available to the Tenant under such circumstances shall be determined for a single section home and a multi-section home following the completion

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of an actuarial study to be performed under the direction of the Authority. Subject to the maximum limits, the amount of compensation that will be paid to the Tenant will be equal to the fair market value of the home based upon the appraisal, not to exceed the maximum limits. At the October 28, 2021 Board Meeting, the Board voted to pay for the cost of the appraisal up to \$200.

***Updated: Sect. 2.5 (c) - 5/27/2022**

2.10 To be eligible for compensation for a non-relocatable home, in addition to the application provided for in Section 3 hereof, the Tenant must deliver to the Authority a current State of Delaware title to the home, duly endorsed by the owner or owners of record, with valid releases of all liens shown on the title, and a tax release.

2.11 In lieu of the foregoing benefits, a tenant may elect to abandon the manufactured home in the manufactured home community and collect from the Trust Fund, in lieu of any other benefits available under the Act, the sum of \$1,500 for a single section home or \$2,500 for a multi-section home. To qualify for this payment, the Tenant must deliver to the Authority a current State of Delaware title to the manufactured home duly endorsed by the owner or owners of record, valid releases of all liens shown on the title, and a tax release.

3. Criteria for Landlord Benefits

3.1 If pursuant to the Act and these regulations, a manufactured home is determined to be non-relocatable or a Tenant abandons the home, upon application by the Landlord duly submitted to the Authority, a Landlord of a manufactured home community is entitled to receive from the Relocation Trust Fund payment in an amount determined by the Authority to be sufficient to remove and/or dispose of the manufactured home. The maximum relocation payment available to a Landlord is \$4,500 for a single section home or a multi-section home. To qualify for this benefit, the Landlord must submit an application pursuant to the provisions of Section 3. Notwithstanding anything stated herein to the contrary, a Landlord shall not be entitled to any of the benefits described herein unless all of the statutory requirements set forth in the Act have been met.

3.2 Upon receipt of the title documents from the Tenant for the manufactured home that is considered to be non-relocatable or abandoned pursuant to the Act, the Authority will relinquish the title to the Landlord to facilitate the removal and/or disposal of the home from the manufactured home community. Within ten (10) calendar days after the removal and/or disposal of the manufactured home by the Landlord, the Landlord shall notify the Authority in writing of the amount of funds received by the Landlord, if any, from any subsequent sale or disposal of the manufactured home, and a copy of all documents relating to the removal and/or disposal shall be provided to the Authority, including documents relating to any expenses incurred by the Landlord in removing and/or disposing of the home.

3.3 Within thirty (30) days after receipt of the information and documents required under the Act and these regulations, the Authority shall cause a voucher to be issued to the Division of Revenue of the Department of Finance, directing the Division to issue a check in a designated amount to the Landlord which amount shall represent the amount determined by the Authority to be sufficient to cover the cost of the removal and/or disposal of the manufactured home, less any profit realized by the Landlord from the removal and/or disposal of the home, subject to the maximum relocation payment set forth in Section 2.1 hereof.

3.4 A Landlord shall not be entitled to any payment from the Trust Fund if the Landlord has failed to pay the Landlord's share of the total Trust Fund assessment during the course of the tenancies relating to the manufactured home community or if the Landlord has failed to remit the Tenant's share of said assessment.

4. **Application Procedures**

4.1 The Authority will provide application forms (Appendix A and Appendix B) on which applicants for benefits under the Act may apply for benefits.

4.2 In the case of an application for benefits under the Act by a Tenant, the application shall be in the form of Appendix A and shall contain the following information:

- (a) name of the Tenant;
- (b) mailing address of the Tenant;
- (c) telephone number of the Tenant;
- (d) manufactured home community park name and address;
- (e) space number for the manufactured home;

- (f) a description of the manufactured home, including its size, year, manufacturer, and whether the manufactured home is a single-wide or a double-wide;
- (g) a copy of the title or ownership documents relating to the manufactured home;
- (h) a copy of the notice of termination or non-renewal of the Tenant's rental agreement due to a change in use of land;
- (i) in the case of an application for relocation assistance, a copy of the contract between the Tenant and a licensed moving or towing contractor for the moving expenses for the home;
- (j) in the case of any requests for compensation for a manufactured home considered by the Tenant to be non-relocatable, a description of the facts which the Tenant relies upon in support of the Tenant's contention that the manufactured home is in fact non-relocatable based upon the criteria provided for in the Act and these regulations, together with any and all documents relating to the purchase of the manufactured home and any improvements made to the manufactured home by the Tenant;
- (k) a certification by the Tenant that the Tenant has paid the Tenant's share of the Trust Fund assessments during the course of the Tenant's tenancy.

4.3 In the case of an application for benefits under the Act by a Landlord, the application shall be in the form of Appendix B and shall contain the following information:

- (a) the name of the Landlord;
- (b) the name of the manufactured home community;
- (c) the mailing address of the Landlord;
- (d) the telephone number of the Landlord and if the Landlord is not an individual, the name of the designated representative of the Landlord;
- (e) a description of each manufactured home for which the Landlord is seeking financial assistance;
- (f) a copy of the notice of termination or non-renewal of the rental agreement due to a change in use of land;
- (g) a contract with a licensed moving or towing contractor for the removal and/or disposal of the manufactured home;
- (h) an itemization of all expenses, other than the expenses reflected in the contract between the Landlord and the moving or towing contractor, together with associated documents, which the Landlord anticipates will be incurred in removing and/or disposing of the manufactured home from the manufactured home community;

(i) a certification by the Landlord that the Landlord has paid the Landlord's share of the total Trust Fund assessment during the course of the tenancies for the manufactured home community and has remitted to the Authority the Tenant's share collected by the Landlord.

5. **Assistance and Data Gathering**

5.1 When requested, the Authority shall provide assistance to Landlords and Tenants in completing application forms.

5.2 The Authority's staff may conduct on-site inspections and/or phone interviews with the applicants to acquire data necessary to enable the Authority to carry out its duties under the Act.

6. **Application Review Procedures**

6.1 The Authority has the power to approve applications pursuant to the Act.

6.2 The Authority or the Authority's staff will review applications and determine whether or not the procedural requirements under the Act and these regulations have been met. The Authority shall not be required to render a decision on any application unless and until the Applicant has submitted a completed application prepared in accordance with the Act and these regulations, and the Authority shall have the right to reject any application that does not comply with the procedural requirements of the Act or these regulations.

6.3 The Board of Directors of the Authority, or a committee of the Board designated to make such decisions (if authorized by the Board of Directors) shall endeavor to render a decision with respect to each application no later than thirty (30) days after receipt by the Authority of a completed application prepared in accordance with the Act and these regulations.

6.4 If the Authority approves an application, benefits available under the Act shall be made in the form of a voucher issued to the Division of Revenue of the Department of Finance, directing the Division to issue a check in a designated amount to the Applicant. Before any payment will be made by the Authority to the Applicant, the Applicant must provide the Authority with documentary evidence showing that the expenses for which the Applicant seeks reimbursement have been paid by the Applicant. Notwithstanding the foregoing, if an Applicant can demonstrate that due to financial hardship the Applicant cannot make such payments in advance of the payment of any benefit available under the Act, the Authority may issue a two-party check made payable to the Applicant and the contractor. Under such circumstances, the original check will be mailed to the Applicant and a copy will be mailed to the contractor.

6.5 If at the time the application is approved, the Trust Fund does not have sufficient monies to make a payment to an Applicant, the Authority shall issue a written promissory note to the Applicant for funds due and owing. Promissory Notes shall be redeemed in order of issuance of the notes as additional monies come into the Trust Fund.

6.6 If based upon the information submitted in a Tenant's completed application, the Authority determines that the Tenant's manufactured home cannot be relocated based upon the criteria set forth herein, the Tenant shall be directed to obtain, at the Tenant's expense, an appraisal prepared by a certified manufactured home appraiser, for purposes of determining the fair market

value of the home and any existing appurtenances as sited, exclusive of the value of the underlying land. Within thirty (30) days after receipt of the appraisal, the Authority shall advise the Tenant of the benefits that the Authority will pay to the Tenant for the non-relocatable home. Payment shall be made to the Tenant in the manner described herein, within ten (10) days after the Tenant provides the Authority with all the documents required, including the current title to the home. Upon receipt of the title, the Authority will relinquish the title to the Landlord to facilitate the removal and/or disposal of the home from the manufactured home community.

6.7 With respect to applications submitted by the Landlord for costs associated with the removal and/or disposal of non-relocatable or abandoned manufactured homes, within thirty (30) days after the receipt of the completed application and all necessary documents and information, including the documents described in Section 5.4 hereof, the Authority shall determine the cost of removing and/or disposing of the manufactured home and shall issue payment for said amount to the Landlord, less any profit realized by the Landlord from the removal and/or disposal of the home.

6.8 If an Applicant disagrees with the Authority's decision with respect to any application, the Applicant may petition the Authority to reconsider its decision by requesting an administrative review with the Authority no later than fourteen (14) calendar days after the Authority's initial decision on the application.. The request: (i) must be in writing; (ii) must be received by the Authority within the aforesaid fourteen (14) day period; and (iii) must include reasons and documentation in support of the Applicant's position. After receipt of the Applicant's letter, the Authority will schedule an administrative review of the application at a regularly scheduled meeting of the Board of Directors of the Authority. Notice of the administrative review meeting will be sent to the Applicant at least seven (7) days in advance of the meeting. At the administrative review meeting, the Applicant shall present information or documentation to support the Applicant's position. At the administrative review meeting, the Authority will render a decision and notify the Applicant of its decision and the reason for the Authority's decision. The decision of the Authority shall be final and conclusive.

7. Moving and Towing Contractors

7.1 It shall be the responsibility of the Tenant and/or Landlord to enter into a contract with a towing or moving company for purposes of relocating, removing and/or disposing of a manufactured home. The contractor must be duly licensed to engage in said business in Delaware. The Authority shall not be responsible for the performance of the contractor, or have any obligation to the contractor, financial or otherwise.

8. Certified Manufactured Home Appraisers

8.1 The Authority shall maintain a list of certified manufactured home appraisers who are authorized and qualified to appraise manufactured homes in Delaware.

***8.2 Any appraisal of a manufactured home should include the following criteria:**

- Pictures of the interior and exterior of the subject unit are to be compared to pictures of comparable units
- Compare prices of comparable units
- Compare the condition, size, year, make and model of subject unit with units with similar features

- Adjustments must be made of comparable sales to get to the fair market value of the manufactured home and/or referencing a national valuation publication, such as the NADA guide to determine the appraised value

8.3 Any appraisal required under the Act shall include the certified manufactured home appraiser's opinion as to the fair market value of the manufactured home as sited, and any existing appurtenances, but shall exclude the value of the underlying land. The appraisal shall take into consideration the replacement cost of the manufactured home, together with the age, physical condition and appearance of the home.

8.4 Any appraisal submitted by the appraiser shall include the appraiser's professional qualifications, a summary of the salient facts and conclusions of the appraiser, a description of the manufactured home, its condition, and the appraiser's analysis and conclusions.

8.5 The appraiser shall provide at least one original and three copies of each report to the Authority.

***Updated: 6/4/202**

PART D

GUIDELINES USED FOR APPROVING RENT INCREASES

1. Rent Increase Notice

1.1 Community Owner submits a request for rent increase.

1.2 Before certifying a rent increase, DEMHRA reviews request to ensure compliance with Subchapter **VI Rent Increase Justification**.

1.3 DEMHRA sends Violation Letter to Community Owner (See Appendix F).

(a) **Rent Increase Health and Safety Violation per § 7051A.** - Before any rent increase requests can be certified, the Community Owner must sign a Violation Letter stating that no safety violations have occurred during the 12 months preceding the date of notice, and such violations did not continue for 15 or more consecutive days.

(b) A violation is final if the decision finding the violation has been fully determined on appeal to the appropriate court, if all time for filing an appeal with respect to the decision has expired, or the decision is not subject to judicial review.

1.4 After receipt of signed Violation Letter, DEMHRA sends Rent Increase Certification Letter to Community Owner, either approving or denying rent Increase (See Appendix G).

Part D Added: 2/17/23