

**STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS •
SANDY RECOVERY DIVISION**

SUBJECT: Manufactured Housing Unit (“MHU”) Policies and Procedures Governing the Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) Program and Low-to-Moderate Income (“LMI”) Homeowners Rebuilding Program

NUMBER: 2.10.66

EFFECTIVE: May 2014

REVISED: March 2015


October 2015

May 2017

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APPROVAL



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PURPOSE:

The purpose of this policy is to set forth guidelines for processing Manufactured Housing Units (“MHU”) within the Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) Program and the Low-to-Moderate Income (“LMI”) Homeowners Rebuilding Program.

POLICY:

An MHU is a structure that is transportable in one or more sections. In the traveling mode, the home is eight (8) body-feet or more in width and forty (40) body-feet or more in length. It is at least three-hundred and twenty (320) square feet, built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. The MHU also includes plumbing, heating, air-conditioning, and electrical systems. The structure must be designed for occupancy as a principal residence by a single household.

The default feasibility for **all** MHU projects will be reconstruction at the current site (as opposed to rehabilitation or relocation to an alternate site), unless the applicant can provide documentation supporting at least one of the below conditions:

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- The replacement of the existing damaged unit is explicitly prohibited due to restrictions at the mobile home park site;
- Site conditions at the mobile home park preclude reconstruction activities; or
- If prohibited by municipal code restrictions.

If one of the above conditions are met, indicating that reconstruction of the MHU is prohibited, then the RREM or LMI Program will provide funding for rehabilitation and/or elevation of the existing unit or allow the applicant to relocate and reconstruct an MHU at an alternative site within the same county. All construction activities must be performed in compliance with RREM or LMI Program standards and must be determined to be cost reasonable as determined by the use of Xactimate program pricing standards.

PROCEDURE:

The procedure for processing MHU projects includes: (A) General Requirements, (B) Mobile Home Park Policy Determination, (C) Feasibility Determination and Elevation, (D) Relocation to Alternative Lease Site, and (E) Grant Award Calculation and Pricing for Rehabilitation and Replacement of MHUs.

A. General Requirements:

1. A Lead Hazard Assessment will be completed for units built prior to 1978. An Asbestos Assessment will be completed for all existing units, regardless of the year that the unit was built. The scope of work for the construction project will be handled in accordance with RREM/LMI protocols for the abatement of lead and asbestos hazards.
2. All new replacement MHUs will be required to meet Energy Star requirements and any rehabilitated MHUs will be required to meet Green Building Standards, unless construction began or a contract for construction was executed prior to the execution of the RREM or LMI Grant Agreement. For these units, the applicant will be encouraged to adhere to the Green Building Standards, but will not be required to meet those Standards.

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B. Mobile Home Park Policy Determination:

The applicant will be asked prior to performance of the Initial Site Inspection, Lead Paint Assessment, and Asbestos Assessment to provide documentation regarding their mobile home park’s policy on replacement (reconstruction) of the existing damaged unit. If it is determined from the provided documentation that the replacement (reconstruction) of an MHU is prohibited, then the feasibility will be classified as rehabilitation, or the applicant may elect to relocate and reconstruct an MHU at an alternative site within the same county. If no documentation is provided, or if the documentation does not indicate that replacement (reconstruction) is prohibited, then the feasibility will be classified as reconstruction.

C. Feasibility Determination and Elevation:

1. If reconstruction is prohibited, and the applicant chooses not to relocate to another site, then the RREM or LMI Project Manager will capture the project feasibility determination as rehabilitation on the *Form 6*. If reconstruction is not prohibited, then the Project Manager will indicate the feasibility determination as reconstruction on the *Form 6*.
2. Any unit that requires elevation over six (6) feet will require a more traditional foundation (i.e., a pile or concrete masonry unit foundation system). Units requiring this traditional foundation will be priced using RREM and LMI Program approved pricing.
3. For reconstructions, the new replacement unit will be installed according to the standard four (4) to six (6) feet set-up height, unless the unit is located in a flood zone where additional elevation may be required. Units requiring elevation heights in excess of the standard set-up height will be escalated to DCA-SRD for final determination of project completion costs.

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4. A RREM or LMI Program-based determination of damage will also be performed on each MHU project. This determination is the basis for classifying an MHU as substantially damaged or non-substantially damaged.
 - a. If an applicant is deemed substantially damaged, which is defined as damage equal to or greater than fifty percent (50%) of the unit’s pre-storm value, then that applicant is required to elevate the damaged property.
 - b. If an applicant is deemed non-substantially damaged, which is defined as damage less than fifty percent (50%) of the unit’s pre-storm value, then that applicant may voluntarily elect to elevate the damaged property, and the RREM or LMI Program will cover the costs of voluntary elevation.

D. Relocation to Alternative Lease Site

1. Applicants may elect to relocate their replacement MHU to an alternative site in lieu of repair or replacement of the MHU at the current site if replacement is prohibited by the mobile home park or it is infeasible based on site conditions or municipal codes. Transportation of the unit to the new location is an eligible cost and built into the budget, when applicable. If an applicant sells the damaged unit instead of relinquishing the title to the park owner, the profits from the sale will be considered a Duplication of Benefits (DOB).
2. The alternative lease site must be located within the same county as the damaged MHU.
3. The applicant must provide evidence of current ownership, a rental agreement, or an executed Landowner Authorization Form for the new parcel of land. If the applicant does not own the land in which the damaged property will be located, the applicant will be required to provide an executed lease or other documentation that provides the RREM or LMI Program permission from the owner of the land that the new MHU may be placed there.
4. Additional requirements to relocate to an alternate site include:
 - a. A new Tier II Environmental Assessment for the alternate parcel;

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- b. No identified environmental mitigation issues associated with the new parcel;
- c. Relocating or building on the new parcel will not increase density in a flood plain;
- d. It is allowable under the applicable building and/or municipal code requirements;
- e. Applicant can demonstrate an ownership or leaseholder interest in the property, or an executed MHU Landowner Authorization Form;
- f. A *Right of Entry* has been signed by the park manager or owner at the alternate site, and applicant can demonstrate that the new parcel is not subject to foreclosure due to nonpayment of property taxes; and
- g. The new parcel is a “developed parcel” with utilities available on-site.

E. Grant Award Calculation and Pricing for Rehabilitation and Replacement of MHUs

1. The Grant Award Calculation for reconstructions will be developed using MHU unit pricing based on the number of bedrooms as summarized below. Unit pricing for reconstructions will be comprised of the following options:

Number of Bedrooms	Estimated Unit Square Footage	MHU Total Estimated Cost (Includes up to six [6]feet vertical elevation and two [2] sets of stairs)
1	540	\$110,371.26
2	600	\$115,546.26
3	800	\$120,721.26

2. For rehabilitations, the scope of work will be developed using the RREM or LMI Program Construction Standards and standardized pricing, and may not exceed the reconstruction pricing limits established above.
3. Other allowable costs that may be added to the reconstruction pricing described above and included in the rehabilitation scopes of work include:
 - a. Mobility modifications;
 - b. Elevation costs in excess of the four (4) to six (6) feet required for standard set-up;
 - c. Lead and/or asbestos abatement;

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- d. Demolition of the storm-damaged MHU;
 - e. Municipal code requirements; and
 - f. Environmental mitigation.
4. The price of a parking pad is not an allowable cost, as it is considered an improvement of the land not attributable to the MHU itself.
5. Grant award funds disbursed will be limited to the lesser of the standardized pricing determined by the RREM or LMI Program or the subtotal of invoices submitted by the applicant.