



Cooperative Manufactured Housing in Minnesota

SENATE HOUSING & HOMELESSNESS PREVENTION COMMITTEE

FEBRUARY 4, 2025

VICTORIA (TORY) CLARK-WEST, EXECUTIVE DIRECTOR

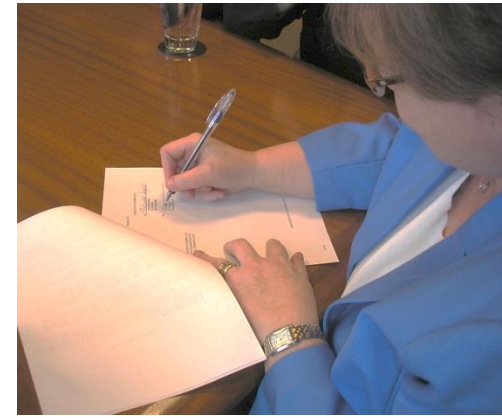
NCF Programs & Services



**Cooperative
Development**



**Business Advising
& Coaching**



Lending



Home Sales

Manufactured Housing: Minnesota's Most Attainable Homeownership

Largest single source of naturally-occurring affordable housing in state

- 45,000 total manufactured units
- 180,000 residents

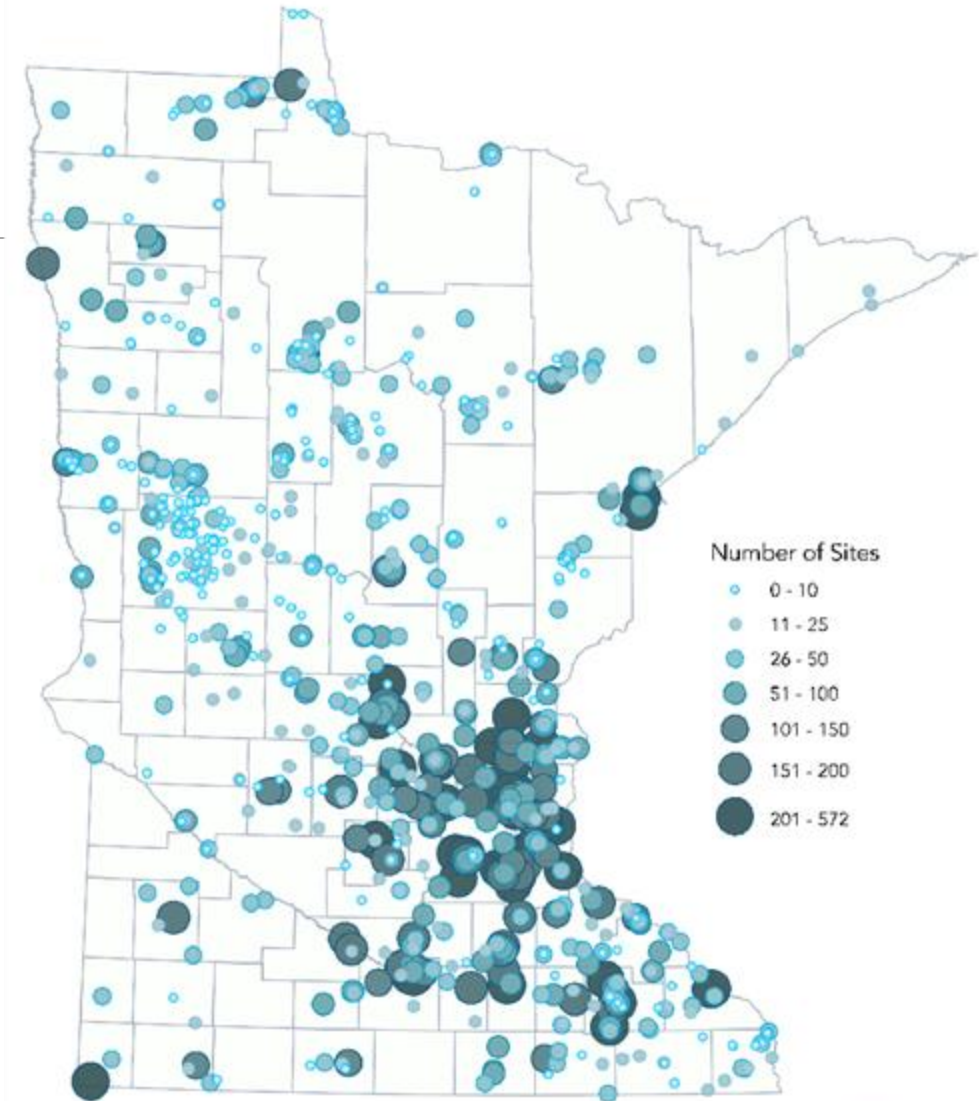
Attainable homeownership

Homeownership rate: 87%

New home cost: ~\$110,000

Cost to preserve infrastructure is substantially less than other types of housing (\$10,000 - \$50,000 / unit)

Manufactured Home Sites in Minnesota



People Served by Manufactured Housing

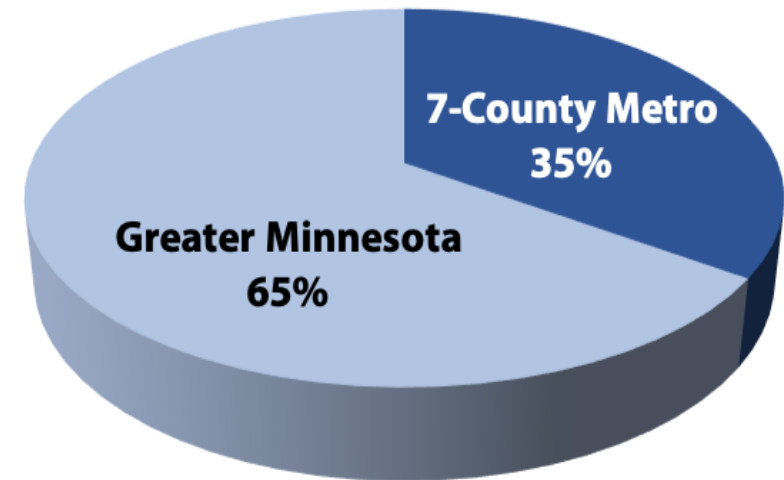
Households with Low-Incomes

- 75% of households in resident-owned cooperatives make 60% AMI or below
- 33% of households make 30% AMI or below

Households of Color

- 40% households in resident-owned cooperatives are BIPOC

Minnesota Manufactured Home Community (MHC) Sites By Geography

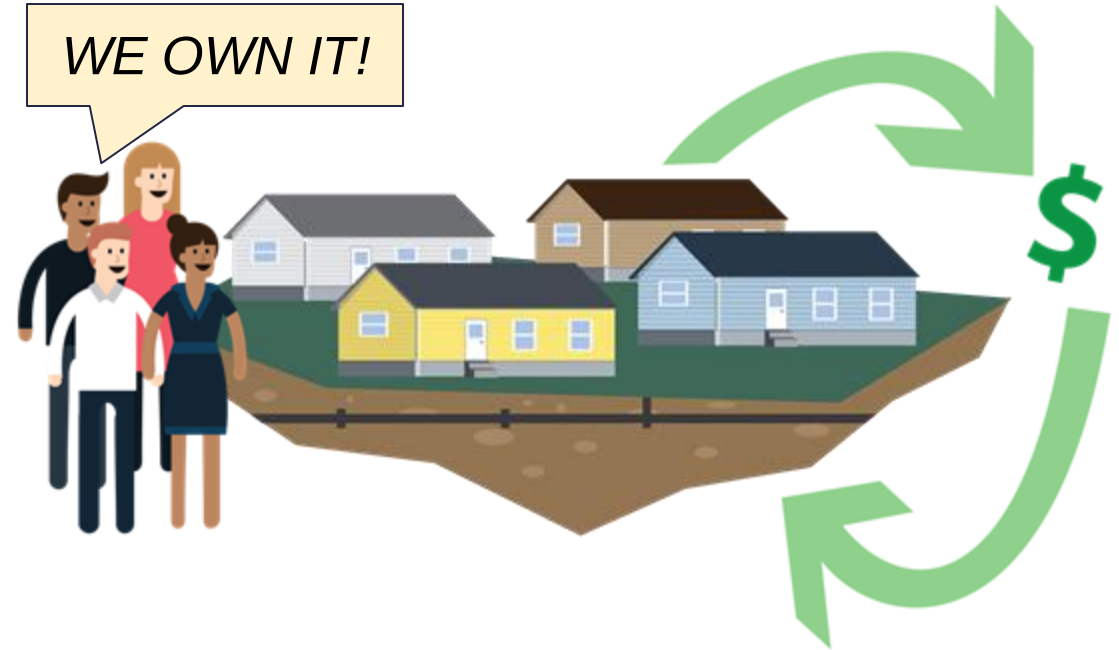


Investor Ownership



- Investor owns land beneath residents' homes
- Profit motive
- Regular rent increases

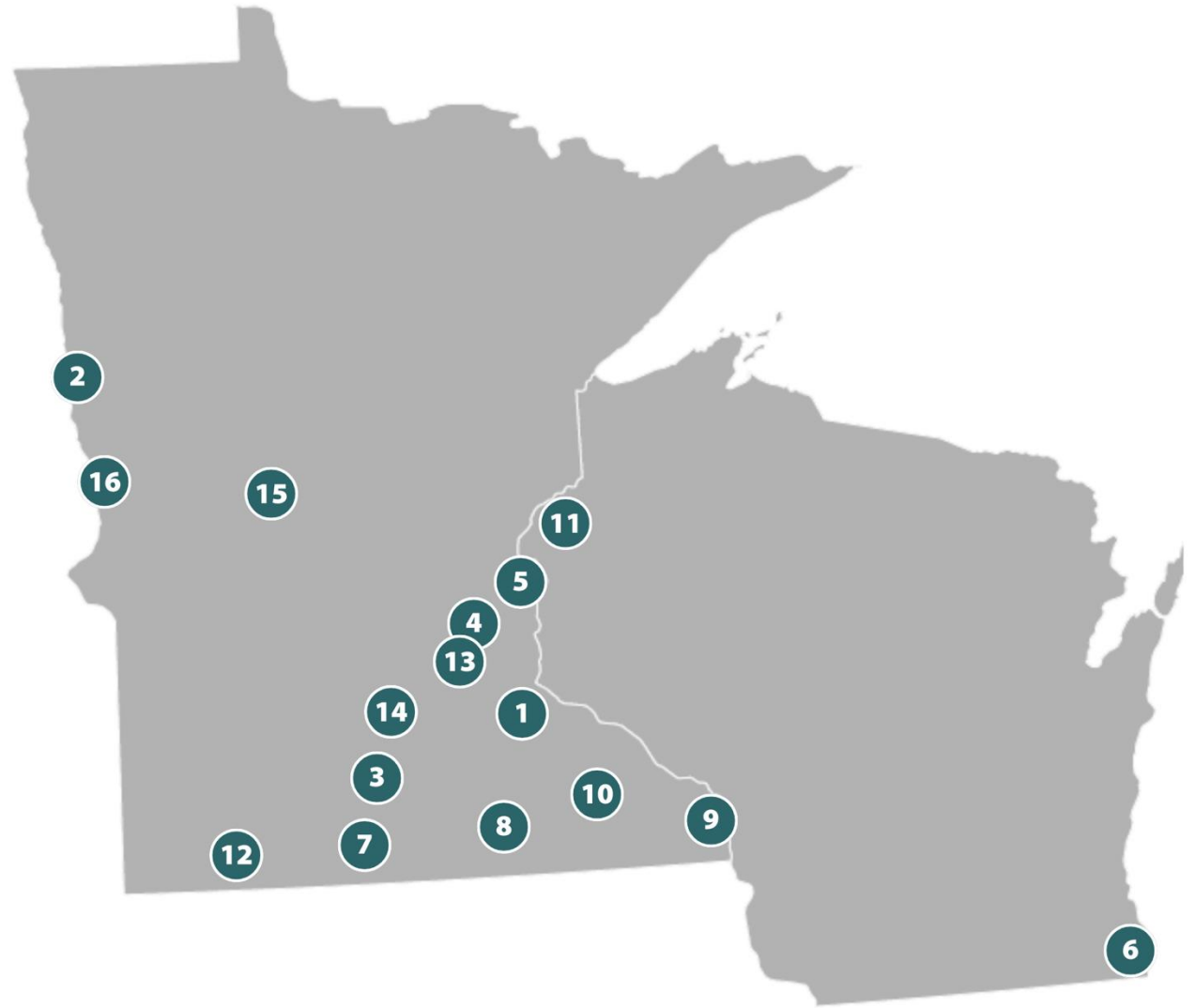
Resident Ownership



- Resident-owned non-profit corporation owns the land beneath residents' homes
- Operate at-cost
- Rent increases only with operating costs

Midwest ROC Program

(ROC = Resident Owned Community)



Track Record

16 existing communities
(1,150 units) converted to
co-op ownership since
2004 in transactions
valued at over \$35 million

A founding member of
the ROC USA® Network

Strong industry
relationships

Infrastructure

Problem

Privately owned systems (water, sewer, roads, and electrical)

Aging systems – most built in 1950s and 60s

Legislative Response

Manufactured Home Community
Redevelopment (MHCR) Program

~\$44 million granted since program inception
in 2020

~\$20 million granted to cooperative, resident
owned communities



Members of Sungold Heights Cooperative in Worthington, MN celebrate the groundbreaking of their water, sewer, and road rehab project in 2021.



In 2024, Woodlawn Terrace Cooperative, a 50-unit community in Richfield, completed a \$1.7M infrastructure rehab project with MHCR grant funding. The project included sanitary sewer repairs, road repaving, and a transition from a private well to municipal water. The image on the left show crews connecting to city water. The image on the right highlights the urgent need for this project—showing the poor water quality from the old, private well system.

Infrastructure – Still Needed

Manufactured Home Community Redevelopment program

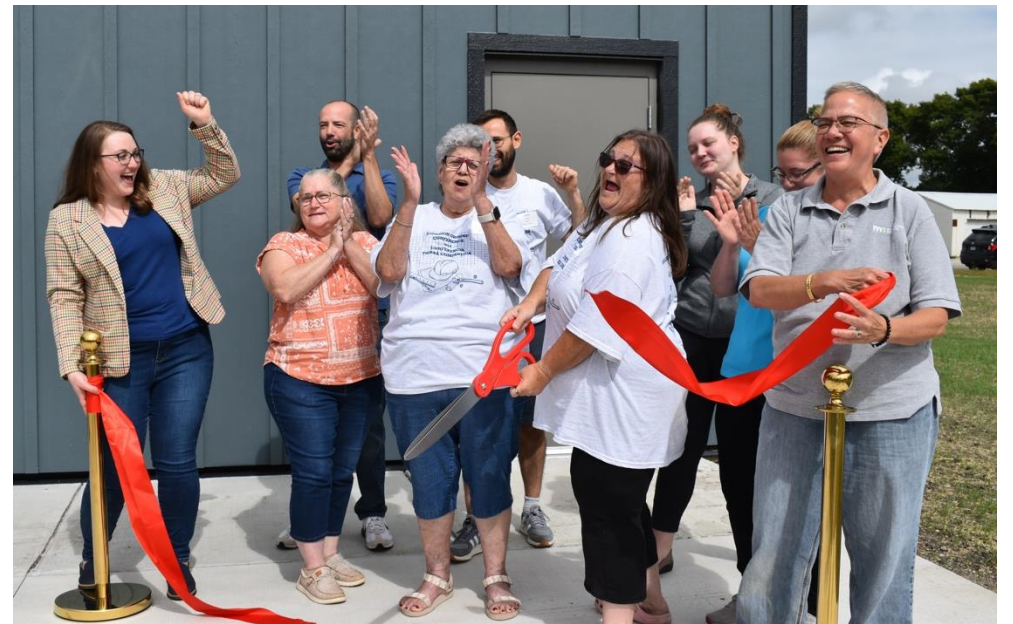
- Increase base appropriation
- Adjust program to be able to fund time-sensitive infrastructure improvements

Greater Minnesota Housing Infrastructure program

- Dedicate funding for municipal infrastructure for new manufactured housing cooperatives

Housing Infrastructure Bonds (HIBs)

- Dedicate funding for acquisition and infrastructure



Members of Madelia Mobile Village Cooperative celebrate the grand opening of their storm shelter building with Minnesota Housing Commissioner, Agency staff, and project partners in fall 2024.

Aging housing stock & lack of home financing

Problem

Cost of new homes are increasing

Manufactured homes on leased land are licensed as personal property, making them ineligible for traditional financing options – mortgage and down payment assistance

Limited access to home rehab resources

Legislative Response

\$10 million appropriation for manufactured home lending in 2023



Manufactured Home Financing Program – anticipated April 2025

NeighborWorks Home Partners (NWHP)

- Loan program is expected to launch in April 2025
- 30-year term
- Competitive interest rate

Loan program will be paired with new homebuyer education course from Minnesota Homeownership Center



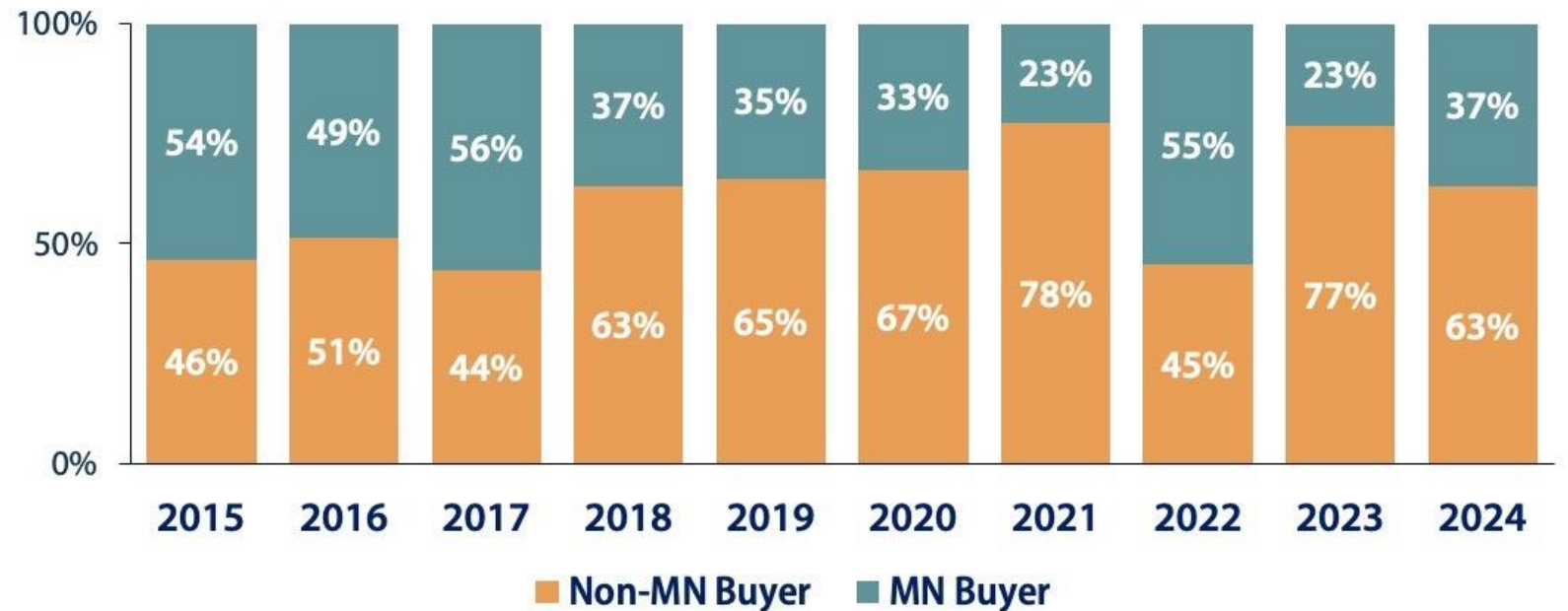
MINNESOTA
HOMEOWNERSHIP
CENTER

Out of State Speculation

Since 2015, 25% of the state's manufactured housing has been purchased by out-of-state investors

- 131 communities
- 11,889 units

Share of Manufactured Home Sites Sold to MN & Non-MN Buyers by Year



Sources: MNDOR, MDH & Delegated Agencies

Private Equity Speculation

Since 2015, 35% of the units sold to out-of-state investors was to private equity (4,216 units, 20 communities)

70% of private equity acquisitions in Minnesota were financed by Fannie Mae or Freddie Mac

<https://pestakeholder.org/pesp-private-equity-manufactured-housing-tracker/>

Manufactured Home Communities Owned by Private Equity (PE) in Minnesota		
Company	Number of Units	Number of Communities
Havenpark Communities	2,720	9
RHP Properties	2,270	13
Riverstone Communities	1,227	7
Horizon Land Company	283	1
Impact Communities	98	2
TOTALS	6,598	32
Statewide Total	44,494	808
% of Statewide Total Owned by PE	14.8%	4%

Legislative Response to Out of State Speculation

Advancements in 2023:

- \$10 million direct appropriation for revolving loan fund
- Notice of Sale provision from 2023
- 5% tax credit for community owners who sell to a preservation-minded buyer (resident-owned cooperative, nonprofit, or municipal entity)



Members of Emerald Pines Cooperative in Alexandria, MN celebrate purchasing their community in January 2024.

Thank you

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