

THE COOPERATOR

News and updates for leaders of resident-owned communities

Out-of-state investors buy up Minnesota Manufactured Home Communities

While a growing number of manufactured home community residents are opting for resident ownership, other trends in community ownership are less favorable to residents. One of those trends is the growth in out-of-state investors buying manufactured home communities.

In Minnesota, there are roughly 45,000 home sites in all manufactured home communities (MHCs) across the state. Close to one in three manufactured home sites (13,948) have transferred ownership since 2015 through park sales. During this period, over 8,500 home sites have been sold to out-of-state buyers, including over 5,500 home sites in greater Minnesota and almost 3,000 in the seven-county Twin Cities metro area (see Figure 1).

Overall, more than three in five (62%) of home sites sold in Minnesota since 2015 have gone to out-of-state buyers, including

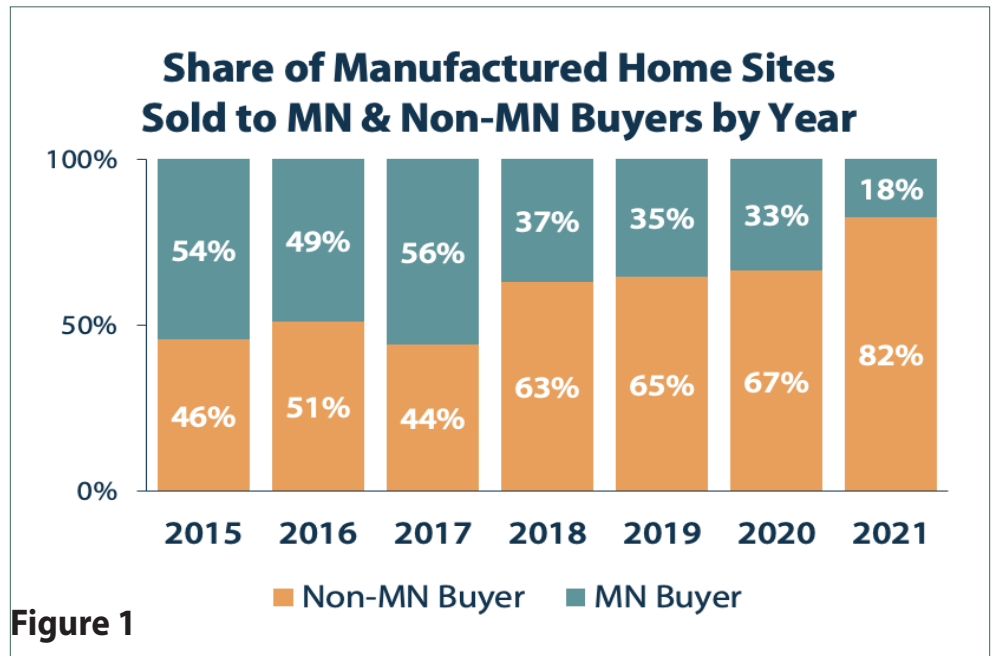


Figure 1

Data from MNDOR eCRV transactions, MN Dept of Health and delegated agencies.

nearly four in five home sites sold (78%) in the metro area.

Out-of-state investor purchases steadily increases

Since 2015, the number of home sites sold to out-of-state buyers has increased every year except 2020, when MHC sales

dropped sharply due to the pandemic (see graph on page 2).

In 2021, a record 2,336 home sites were sold to out-of-state buyers, more than seven times the number of home sites sold to out-of-state buyers in 2015 and

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Out of State Investors continued from Page 1

almost double the number sold to out-of-state buyers in 2018.

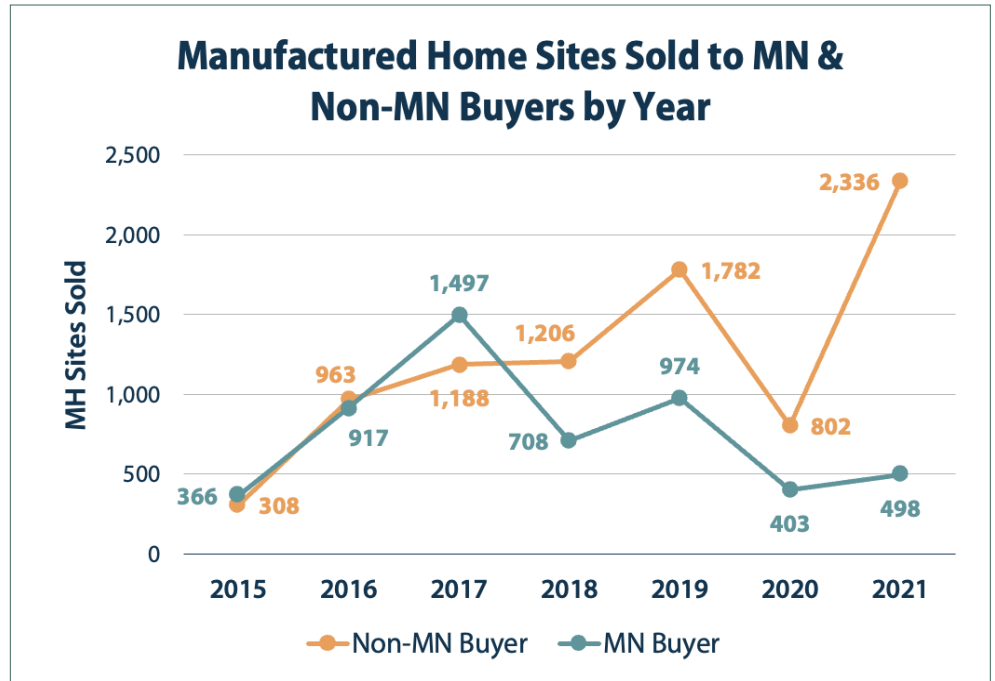
The share of home sites sold to out-of-state buyers has also increased over time. In 2015, less than half of manufactured home sites sold (46%) went to out-of-state buyers with a majority of home sites sold going to Minnesota-based buyers. However, the share of out-of-state buyers has increased every year except 2017 (see Figure 2 on page 2).

In 2021 out-of-state buyers purchased more than four in five home sites sold (82%).

Since 2015, the number of home sites sold to out-of-state buyers has increased every year except 2020, when MHC sales dropped sharply due to the pandemic.

Minnesota reflects national trend

The growth of out-of-state investors buying up manufactured home communities is a trend sweeping the entire country. This wave of investor interest and the resulting impacts on long-time residents has caught the attention of the media, policy makers, and the general public.



Data from MNDOR eCRV transactions, MN Dept of Health & delegated agencies.

The most recent article highlighting the investor buyer trend was published by *The New York Times* on March 27, 2022, entitled “Investors Are Buying Mobile Home Parks. Residents Are Paying a Price.”

The issue was also chronicled by *The New Yorker* in March 2021 and several other national and local media outlets.

Out-of-state, out of touch?

Cooperative, resident-owned communities work hard to keep lot rents affordable for all residents. Many local manufactured home community owners have also historically kept lot rents affordable, especially owners who lived in the community and were more connected to residents.

In contrast, out-of-state buyers almost exclusively view manufac-

tured home communities as a profit-centered investment. This profit motivation is resulting in dramatic lot rents increases and added amenity fees that generate huge returns for investors.

Without legislative reforms that help ensure that residents get a chance to put in a competing offer when their community goes up for sale, industry experts expect that out-of-state consolidation of Minnesota’s manufactured home communities will increase as local community owners retire.

Readers can learn more about a locally-led campaign to pass “Opportunity to Purchase” legislation on page 4.

Co-op Spotlight: Sungold Heights completes major infrastructure improvement project

By summer of 2022, Sungold Heights' major infrastructure project will be complete! The underground water and sewer work and new roads were finished in November 2021 and in the spring they will receive a second layer of asphalt and lawns will be restored.

Sungold Heights closed on the purchase of their Worthington, Minnesota community in June of 2019. They knew the roads had been patched over the years, but nothing could have prepared them for the frost heave that left their roads in rough shape. They were so bad that the garbage haulers were unwilling to enter the community and residents had to cart their containers to the main street. The damage occurred in the spring prior to closing, and the cooperative had to endure these conditions for nearly two years before any work began. The original

scope was to replace the water and sewer lines on the older half of the park, which would also replace the roads. The scope was expanded to include all roads in the park since the potholes were located throughout the property.

The project, which was mostly paid for through grants from the Minnesota Housing, was designed by the engineering firm WSB in spring of 2020 and put to bid later that fall. Hulstein Excavating broke ground on the project in April of 2021, starting with grading of all roadways. There were further delays in the project but the roads were finished just before the first snowfall of the year. The new roads are just the beginning—the community hopes to partner with Highland Homes (located in Worthington) to bring in new manufactured homes.

BEFORE



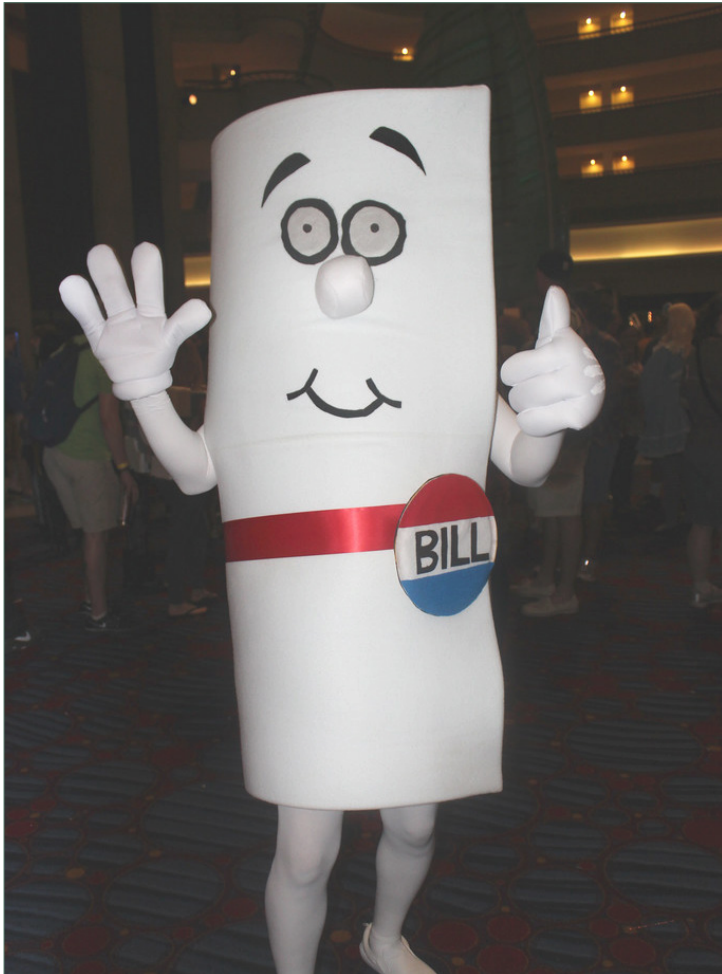
NCF

AFTER



NCF

Resident-led coalition advances Opportunity to Purchase Bill (SF 1282) in Minnesota



"I'M JUST A 'BILL'" BY GREYLOCH IS MARKED WITH CC BY-SA 2.0.

Last year, manufactured housing residents and advocates in Minnesota introduced the Opportunity to Purchase bill ("OTP") to give manufactured homeowners the opportunity to buy the land beneath their homes when their communities are for sale.

The OTP bill would require land owners to provide residents with 60-days advance notice of any intended sale and consider any reasonable offer that has the support of a majority of resident households.

If OTP passes in Minnesota, it would give more manufactured homeowners the chance to

become resident-owned cooperatives and have the power to determine lot rents, community improvements, and make other important decisions.

The OTP bill is known as House File 112 (HF 112) in the Minnesota House of Representatives and Senate File 1282 (SF 1282) in the Minnesota Senate.

In 2021, the MN House of Representatives supported HF 112, but SF 1282 failed to pass in the Senate. This year, the OTP coalition has been meeting with senators to gather support for SF 1282.

The coalition needs your help! If you want other manufactured homeowners in Minnesota to have a chance to become resident-owned communities, please contact your senator and let them know that you support SF 1282 for OTP.

Do you want to call your senator but feel nervous about talking to them?

Make your call to your legislator before 8 a.m. or after 5 p.m. and leave a message. Legislative aides listen to every message and let senators know how many calls they receive from constituents supporting each bill, which helps senators decide whether or not to vote for a bill.

Other questions or want to set up a meeting with your MN State Senator?

Contact Samuel Estes (612-767-2111, sam@northcountryfoundation.org). You can also visit the OTP coalition website for more information: <https://mn4otp.org>.

Not sure who your senator is in the Minnesota State Senate? Here's a list by co-op:

Bennett Park Cooperative: Sen. Kent Eken, 651-296-3205, sen.kent.eken@senate.mn

Five Lakes Cooperative: Sen. Julie Rosen, 651-296-5713, sen.julie.rosen@senate.mn

Hillcrest Community Cooperative: Sen. Gene Dornink, 651-296-5240, sen.gene.dornink@senate.mn

Madelia Mobile Village Cooperative: Sen. Julie Rosen, 651-296-5713, sen.julie.rosen@senate.mn

Park Plaza Cooperative: Sen. Mary Kunesh, 651-296-4334, sen.mary.kunesh@senate.mn

Stonegate Cooperative: Sen. Mark Koran, 651-296-5419, sen.mark.koran@senate.mn

Sungold Heights: Sen. Bill Weber, 651-296-5650, sen.bill.weber@senate.mn

Sunrise Villa Cooperative: Sen. Mike Goggin, 651-296-5612, sen.mike.goggin@senate.mn

Woodlawn Terrace: Sen. Melissa Wiklund, 651-297-8061, sen.melissa.wiklund@senate.mn

Zumbro Ridge Estates: Sen. David Senjem, 651-296-3903, sen.david.senjem@senate.mn

Not sure what to say? Here are some talking points you can use in your call or letter:

I live in [name of manufactured home community] in the city of [name] in your district.

The residents that live here own the land underneath our homes through cooperative ownership. Being resident-owned means that we're able to keep lot rents affordable and make community improvements instead of having the land owner make all the decisions and make money from the land where our homes sit.

Resident ownership is also great because... [share other benefits of resident ownership].

That's why I support Senate File 1282, the Opportunity to Purchase bill. The bill would give other manufactured homeowners in Minnesota the chance to buy the land under their homes when their communities are up for sale and experience the benefits of resident ownership.

Please support Senate File 1282 and ask Senator Draheim to support the bill in the Senate Housing Committee. Thank you for your time.



Have an idea for the next Co-op Spotlight?

Email or call Emily Stewart

emily@northcountryfoundation.org | (612) 767-2132

All ideas are welcome!



NCF prioritizes resources for homeowners and co-op acquisitions in 2022 advocacy agenda



NCF



NCF

Photos taken during an NCF staff visit to Champion Homebuilders in 2017. NCF is prioritizing the creation of manufactured home lending and down payment assistance products in their 2022 advocacy agenda.

One of the ways NCF helps ensure that the voices of manufactured homeowners are heard by policymakers is by advocating and educating legislators about policies and resources that help advance cooperative ownership of manufactured home communities and create resources for manufactured homeowners.

This year NCF is advocating for House File 3837 / Senate File 3730 at the Minnesota Legislature. The bill would increase funding to the Manufactured Home Park Redevelopment Program from \$1 million to \$5 million annually.

The Redevelopment program has been significantly oversubscribed in both of its first two years of funding. In 2021, a little over \$2 million in state appropriations was available through the program.

Minnesota Housing, the state agency responsible for administering the program, received fourteen proposals totaling \$9.5 million.

Ongoing, dedicated fiscal commitment to the

Redevelopment program is critical to ensuring that community owners can upgrade capital-intensive infrastructure systems.

HF 3837 / SF 3730 would also provide \$25 million in one-time funding for manufactured home financing programs. This one-time funding would be awarded in a competitive process to nonprofit, mission-driven lenders to create and fund manufactured home loan programs, down payment assistance, and home rehab financing programs.

\$25 million would provide capital that mission driven lenders can use to create and pilot manufactured home financing programs in communities where homeowners have long-term security of the land underneath their homes – in cooperative, nonprofit, and municipally-owned communities.

NCF has assembled a network of nonprofit lenders that are ready to apply for funds appropriated

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Housing Justice Center helps solve title issues one homeowner at a time

Housing Justice Center, a Minnesota legal aid nonprofit organization, has created a program to help manufactured homeowners obtain home titles and resolve related titling issues.

Teresa Garcia-Delcompare is the main contact for this new program. Teresa speaks English and Spanish and can guide homeowners through the process of obtaining a title, troubleshoot complicated titling situations, and consult with Housing Justice Center’s attorneys for legal assistance.

Housing Justice Center also has funds available to cover certain title processing fees.

If you live in a manufactured home in Minnesota and are interested in this program, please contact tgarcia-delcompare@jcmn.org or via phone at 612-807-1139 (extension 704).



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through the bill and eager to develop financing tools for manufactured homeowners.

In the co-ops that NCF supports alone, there are over 100 vacant lots that are ready for new homes and over 300 existing homeowners that would benefit from home rehab financing.

The financing programs created by the funding distributed through the bill would also provide a model for future statewide financing programs and have long-term positive effects for all manufactured homeowners in Minnesota.

HF 3837 / SF 3730 would also provide \$10 million in one-time funding to help residents compete in the private marketplace and purchase their communities as cooperatives. The \$10 million in funding would be administered by Minnesota Housing and deployed to assist manufactured home community residents in purchasing their communities, including providing the upfront funds residents need to secure a purchase agreement of their community.

Julie Martinez says farewell after eight years

After nearly eight years of dedicated and impactful work, Julie Martinez departed NCF at the end of February.

Julie plans to take some time off before embarking on her next career move. Before leaving, Julie took some time to reflect on her time at the organization.

“The number of ROCs [resident-owned communities] in Minnesota has doubled since I started in 2014,” Julie said. The ROC program totaled five ROCs when Julie started at NCF. Just before her departure, NCF helped the residents of Woodlawn Terrace complete their community purchase, bringing the total number of ROCs in Minnesota to ten.

“Prairie Lake Estates in Kenosha, Wisconsin had just become the first Wisconsin ROC in NCF’s portfolio just before I joined the organization in 2013, and now there are three ROCs in Wisconsin with the additions of Pammel Creek Estates in 2016 and Clear Lake Estates in 2019,” Julie said.

Julie noted that the more communities become resident owned, the more opportunities there are for peer-to-peer support, which was one of Julie’s favorite parts of working with ROCs.

“We always say this, but you [meaning the other ROCs in Minnesota and Wisconsin] are truly each other’s best resource. There are a lot of experts in the thirteen communities that I know are happy to hear from people in other ROCs and are willing to help if asked,” Julie said.

While leaving is “bittersweet” for Julie, she feels that she’s leaving at a time when NCF is in a great place to continue the mission.

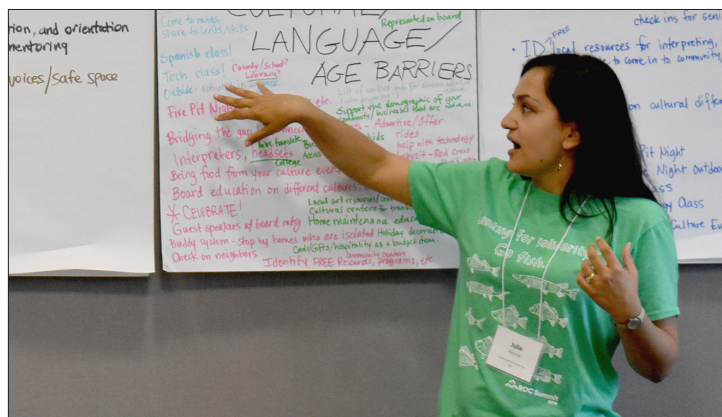
“I’m more hopeful than ever about the strength of the NCF team and the direction of the organization,” Julie said.

Oversight of NCF’s Cooperative Governance support programs, including ongoing technical assistance with ROCs, will now fall under the purview of Emily Stewart in her new role as Lending and Cooperative Development Manager.

NCF is also in the process of hiring two additional staff positions to ensure minimal



Julie (center) poses with colleagues Tory Clark and Tom Guettler after the 2019 Common Ground Conference.



Julie leads a training activity at the 2017 Common Ground Conference.

disruption to our ongoing support of our ROCs.

Julie expressed gratitude to all the communities she’s worked with over the years. She hopes that ROC leaders take time to remember how far they’ve come.

“Thank you all for your dedication to this work and to your community. Thank you for inviting us into your homes and communities and trusting us in this endeavor. I encourage each of you to keep asking questions, keep showing up, and most importantly, to make time for reflection. Take stock of how far you have come as community, as a board, and as an individual,” Julie said.