

Homes for All Minnesota
Minnesota House of Representatives
Housing Finance & Policy Committee

February 10, 2022

Advancing Homeownership & Wealth-building

Good morning, Chair Hausman and Committee Members. My name is Dave Anderson, I am the Executive of All Parks Alliance for Change, or APAC, and one of the newly-elected co-chairs of the Homes for All coalition. I want to share with you proposals on our 2022 agenda that advance homeownership and wealth-building. Homeownership is key to building wealth for many Minnesotans, but many face increased barriers to achieving that dream, communities of color in particular. We must do more to support homeownership opportunities for those that have faced current and historical practices of discrimination.

- **Homeowner education** – Many Minnesotans continue to be excluded from the housing market, which has profound impacts on quality of life, health, and wealth creation. While Minnesota has the third highest homeownership rate in the country, it also has the fifth highest disparity in homeownership rates between white households and households of color or Latino ethnicity. We support increasing public funds and attention to the preparation of homeowners, including homebuyer education, housing counseling, and financial coaching.
- **Weatherization expansion** – We also support weatherization expansion. Weatherization helps low-income households have more energy efficient homes and reduce their energy burden in the long-term, helping keep them safely and stably housed. The weatherization expansion will fund additional activities (called pre-weatherization services) such as asbestos abatement, lead remediation, and window and roof replacement that will prepare more houses for weatherization and ensure people live in safer, healthier homes.

We support several proposals related to manufactured housing. Manufactured homes provide both extremely affordable housing and access to homeownership. On the broad continuum of housing that we need, this housing serves those with extremely low incomes. The average price of a new manufactured home is \$74,200; compared to \$296,400 on average for a newly-constructed single-family home. If the home is located in manufactured home park, the cost to rent a home site is typically less than half the cost to rent a two-bedroom apartment; \$417 per month versus \$894 per month. In addition, current model manufactured homes are rated as having the same quality of construction and longevity as site-built homes.

- **Manufactured Home Park Opportunity to Purchase** – Unfortunately, park residents own their homes, but not the land under those homes. The land can be sold for redevelopment and, when a park closes, most homes are lost, either because they are too old to move or will not be accepted by another park. The “Opportunity to Purchase” (House File 112) is a very simple proposal. It gives resident homeowners notice of a planned sale and 60 days to submit an offer. It doesn’t require the land owner to sell to the residents. We want to thank Rep. Connie Bernardy for authoring this proposal and the Housing Finance & Policy Committee for supporting it last session. This proposal is now being led by Sen. Karin Housley in the Senate.

- **Manufactured Housing Rehab, Replacement & Infrastructure Fund –**

Manufactured Home Community Redevelopment Program (MHCR) – The Manufactured Home Community Redevelopment Program provides grants to either purchase parks or improve park infrastructure. The program was launched in 2020 and, since then, each round of funding has been significantly over-subscribed. There is currently \$3.75 million appropriated for the program. In 2021, Minnesota Housing received \$9.5 million in requests. We support increasing the base appropriation to \$5 million.

Manufactured Housing Rehab Loan Program – Any home needs periodic reinvestment to maintain both its habitability and its value. Most manufactured homes are treated as depreciating, personal property and do not develop equity to use for these reinvestments. Manufactured homes are also often not eligible for home improvement loan programs, particularly if they are located on leased land. We support establishing a \$2 million pilot program to provide loans for home rehab projects.

Manufactured Housing Down Payment Assistance Program – Finally, for some manufactured homes, replacement is a better option than rehab, especially homes built prior to creation of HUD’s federal housing code in 1976. In some of these homes, residents find themselves “cost burdened” based on just their utility costs. We support establishing a \$5 million pilot program, providing up to \$20,000 in Down Payment Assistance to households purchasing a new, manufactured home, which can assist up to 250 households.

Thank you for your time. If I can, I will help with any questions you may have about our homeownership and wealth-building proposals.

Thank-you!