

February 8, 2023

Dear Chair Howard and members of the House Housing Finance & Policy Committee,

Thank you for the opportunity to submit comments in support of HF 814.

Midwest Minnesota Community Development Corporation (MMCDC) is a nonprofit Community Development Financial Institution (CDFI) based in Detroit Lakes, Minn. We provide a variety of support to communities and individuals in Minnesota, including commercial and home mortgage lending, single family and multi-family housing, free tax services (VITA) and homebuyer education.

Affordable housing is an urgent need for Minnesota – it is increasingly difficult to provide. MMCDC has continually sought ways to keep the costs of housing development as low as possible for our customers, and to provide optimal home financing tools. We are at a point where traditional stick-built housing is unattainable for many families, giving rise to the added emphasis on manufactured housing, and the need for adaptive financing products.

The Minnesota legislature has provided increasing investments in manufactured housing and homebuyer tools in recent years, and we greatly appreciate that. Even more investment is needed, in both the development of housing and the financing of housing. This legislation will support these needs.

While the entire bill will help increase homeownership in Minnesota, MMCDC is particularly interested in two sections:

- Section 2 - Manufactured Home Lending Grants
- Section 4 - Manufactured Home Park Cooperative Purchase Program

Mission-driven lenders and housing providers will help to provide and finance affordable housing, if given the tools needed to support homebuyers through financing and through provision of manufactured housing. Specifically, the Minnesota Legislature can help by:

**Fund the Manufactured Home Lending Grants at \$25 million.** The eligible uses of the Manufactured Home Lending Grants include funding for manufactured home lending, home rehab, and down payment assistance. This program is designed to deploy funds quickly and fill gaps in products and tools that are currently not available in the public or private marketplace.



- **\$15 million** would fund a Manufactured Home Lending pilot program, which would *immediately be deployed in the marketplace* by mission-driven lenders and result in the creation of 450 new affordable homes.
- **\$5 million** would fund Manufactured Housing Down Payment Assistance, which will help approximately 250 households purchase new manufactured homes.
- **\$5 million** would fund Manufactured Housing Rehab Lending programs, which would help over 300 low-income homeowners preserve and improve their older manufactured homes.

**Appropriate \$10 million in one-time funding for a Manufactured Home Park Cooperative Acquisition Fund.** We also support changes to the Manufactured Housing Redevelopment Program (§462A.2035) to allow Minnesota Housing to structure the program funds as loans in addition to grants.

These resources would provide significant support to advancing affordable housing in Minnesota. Again, thank you for the opportunity to submit comments on HF 814.

Sincerely,



Julia Nelmark  
President, MMCDC