

## MEMORANDUM

**To:** Senator Port, Senator Boldon, Senator Lucero, Representative Howard, Representative Igo, Representative Nash, Representative Kozlowski  
**From:** Northcountry Cooperative Foundation  
**Date:** May 7, 2025  
**Subject:** SF 2298, HF 2445 – Manufactured Housing Preservation and Investment

We respectfully urge you to fully support manufactured housing priorities and ensure that the 2025 housing omnibus bill includes robust investments to preserve and expand manufactured housing—Minnesota’s most cost-effective path to stable homeownership for thousands of residents.

Over the past decade, with consistent bipartisan support, the Minnesota Legislature has made significant strides in protecting this critical housing stock. Programs have been created to assist with resident ownership, stabilize lot rents, and modernize aging infrastructure—safeguarding hundreds of homes from speculative buyouts and displacement.

In 2023:

- **\$10 million** was appropriated to the Northcountry Cooperative Foundation (NCF) for a **revolving acquisition loan fund**, leveraging additional public and private capital to finance Resident-Owned Community (ROC) conversions.
- **\$10 million** was appropriated to NeighborWorks Home Partners to launch a **first-of-its-kind loan product in Minnesota for manufactured homebuyers**, offering only the second product of its kind in the nation.

However, in late 2024, the Minnesota Housing Finance Agency (MHFA) abruptly **paused support for NCF’s loan fund** due to liquidity and staffing constraints—disrupting active projects and threatening the state’s long-term manufactured housing strategy. Without immediate legislative action to restore funding, a decade of progress is at risk.

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## Preserve Existing State Investments in Manufactured Housing

1. **\$5 million** to expand NCF’s revolving acquisition loan fund—ensuring ROC conversions can continue despite the MHFA pause in 2024. Without public backing, we must shoulder this burden alone.
2. **\$3 million** for a new down payment assistance program via NeighborWorks Home Partners, tailored to buyers of manufactured homes to work in conjunction with the new MH loan product.

## Expand MHCR to Preserve Communities Statewide

- Support increased funding for the **Manufactured Home Community Redevelopment (MHCR)** grant program, which addresses aging infrastructure and ensures long-term community viability.
- We urge the Legislature to utilize **Housing Infrastructure Bonds (HIBs)** as a funding mechanism for MHCR. These bonds have been instrumental in addressing Minnesota's housing needs and should support infrastructure upgrades in manufactured home communities.
  - In 2024, only **21% of MHCR applications were funded**—a historic low.
  - The average request of **\$25,000 per lot** enables critical upgrades (sewer, water, roads, storm shelters) without pricing residents out.

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## Why Manufactured Housing Is a Smart Investment

- In 2024, the **average cost to preserve a manufactured home was \$21,000**—a fraction of what it takes to build new affordable housing.
- Manufactured housing is **3–4 times more cost-effective** than other subsidized housing types.
- New units cost **50–65% less per square foot** than site-built homes, offering accessible homeownership to low- and middle-income families.

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## Support the Manufactured Home Relocation Trust Fund Amendment

We also urge support for **SF 2298, Article 2, Section 1 (lines 11.24–11.28)**, which strengthens the annual Manufactured Home Relocation Trust Fund Letter by:

- Ensuring park owners are **informed about a tax credit** when selling to residents.
- Requiring park owners to **post a Notice of Sale** to MHFA.
- Enhancing the **visibility of organizations** that can facilitate these transactions—keeping communities in the hands of Minnesotans, not out-of-state private equity.

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Now is the time to act. Manufactured housing is the largest source of naturally occurring affordable homeownership in Minnesota. These targeted, shovel-ready solutions—supported through tools like HIBs—offer the best defense against private equity takeovers that raise lot rents and displace working families.

These investments are smart, scalable, and impactful. Thank you for your leadership and commitment to ensuring every Minnesotan has a safe, stable, and affordable place to call home.