



Cooperative Manufactured Housing in Minnesota

MINNESOTA HOUSE OF REPRESENTATIVES HOUSING FINANCE AND
POLICY COMMITTEE MEETING
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CoNorth Programs & Services



**Cooperative
Development**



**Business Advising &
Coaching**



Lending



Home Sales



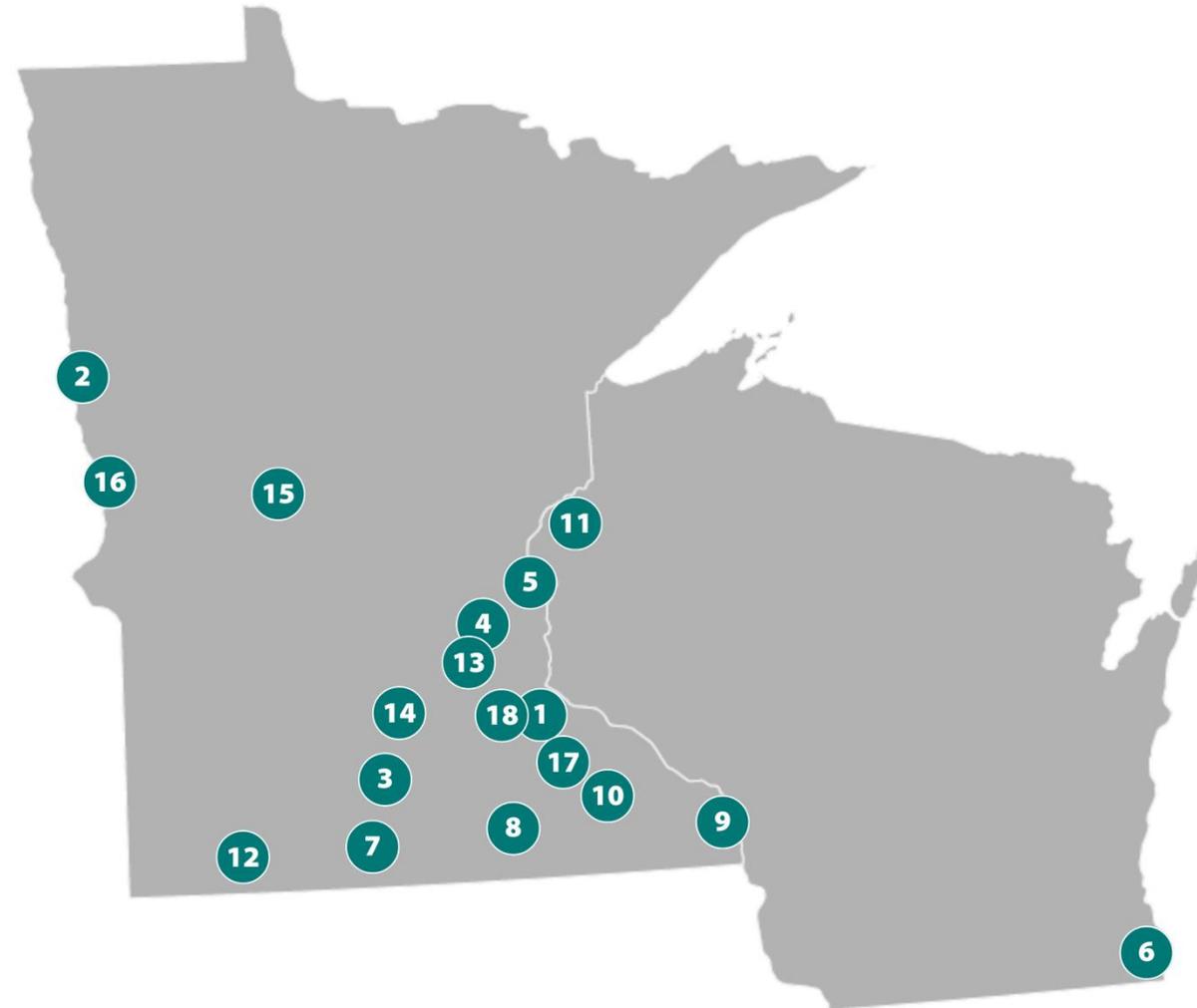
Resident-Owned Community (ROC) Program

Track Record

18 existing communities
(1,222 units) converted to co-
op ownership since 2004 in
transactions valued at over
\$36 million

A founding member of the
ROC USA® Network

Strong industry relationships



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

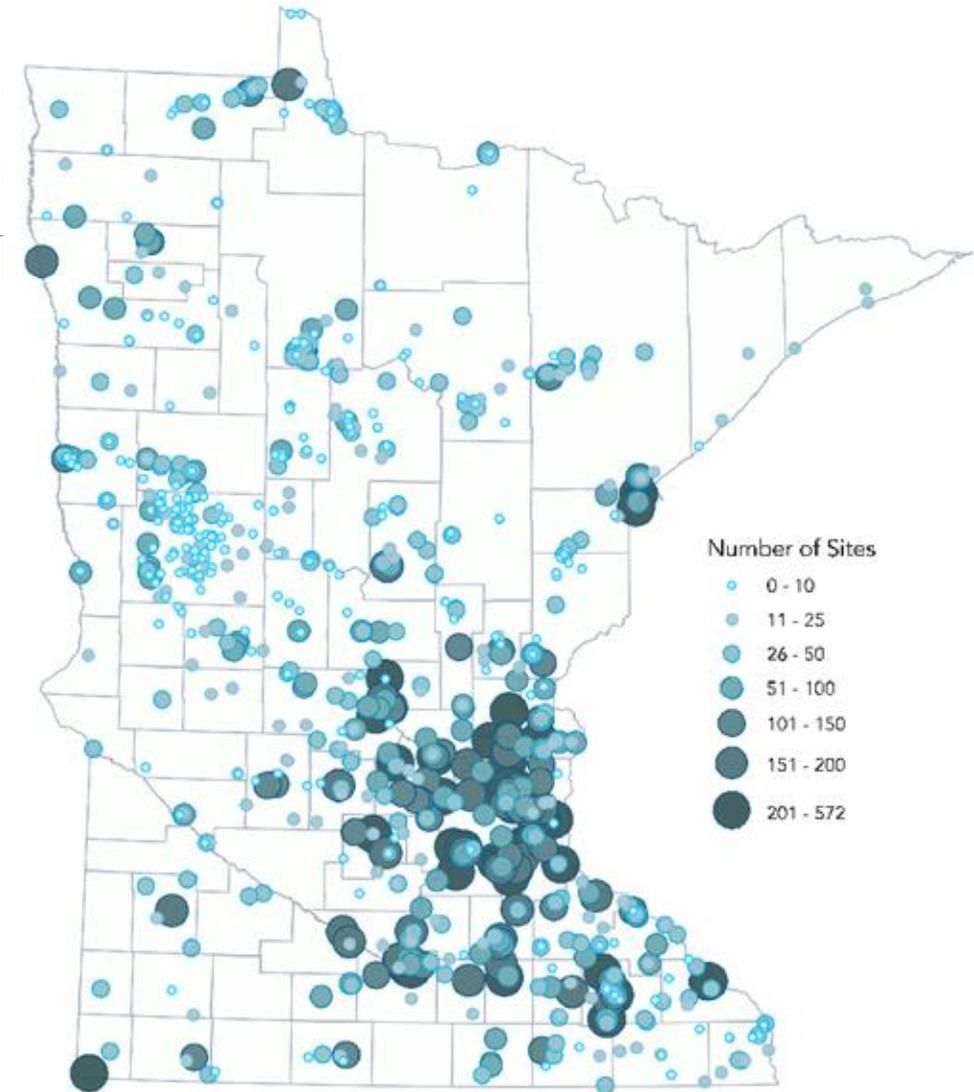
Attainable homeownership

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

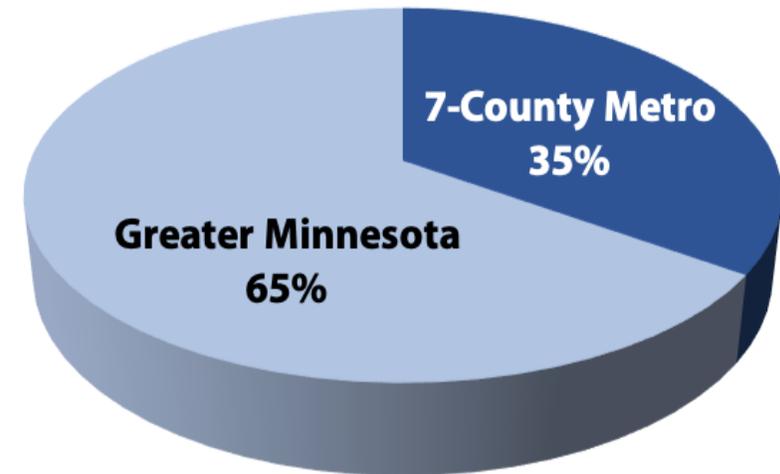
Households with Low-Incomes

- 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



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.



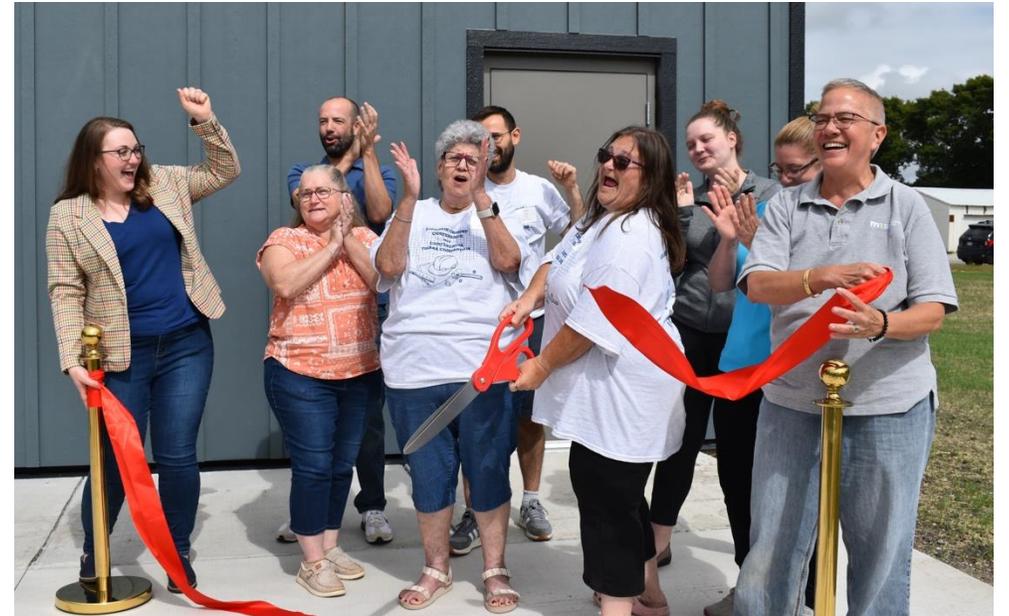
Infrastructure – Still Needed

Manufactured Home Community Redevelopment program

- Increase current base (\$1M per year) appropriation to \$15M per biennium
- Adjust program to be able to fund time-sensitive infrastructure improvements

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



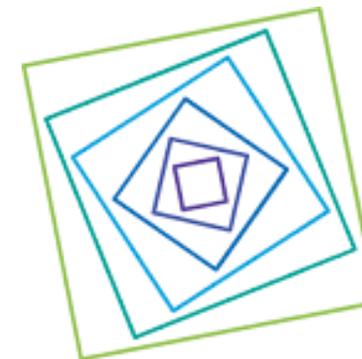


Manufactured Home Financing Program – launched Spring 2025

NeighborWorks Home Partners (NWHP)

- Loan program launched in the Spring of 2025
- 30-year term
- Competitive interest rate
- December 30, closed on their 2nd loan

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



MINNESOTA
HOMEOWNERSHIP
CENTER



MN Titling Reform - Critical Path

Problem

Manufactured home titling laws treat homes on leased land as personal property rather than real estate

- Blocks access to traditional mortgage financing and forces homeowners into higher-cost, less-protected loan products

Rewrite 168A comprehensively

- Model on OR/NH to enable real-property titling on leased land while preserving homeowner ownership rights.

Lock in stakeholder alignment

- Legal counsel, lenders, title companies, counties, tribes, MMHA, MLTA, and park owners aligned on leases, taxes, and title clarity.

Introduce only when financing is ready

- Advance 2027 legislation with lender commitments (Fannie and Freddie) to ensure mortgages flow.

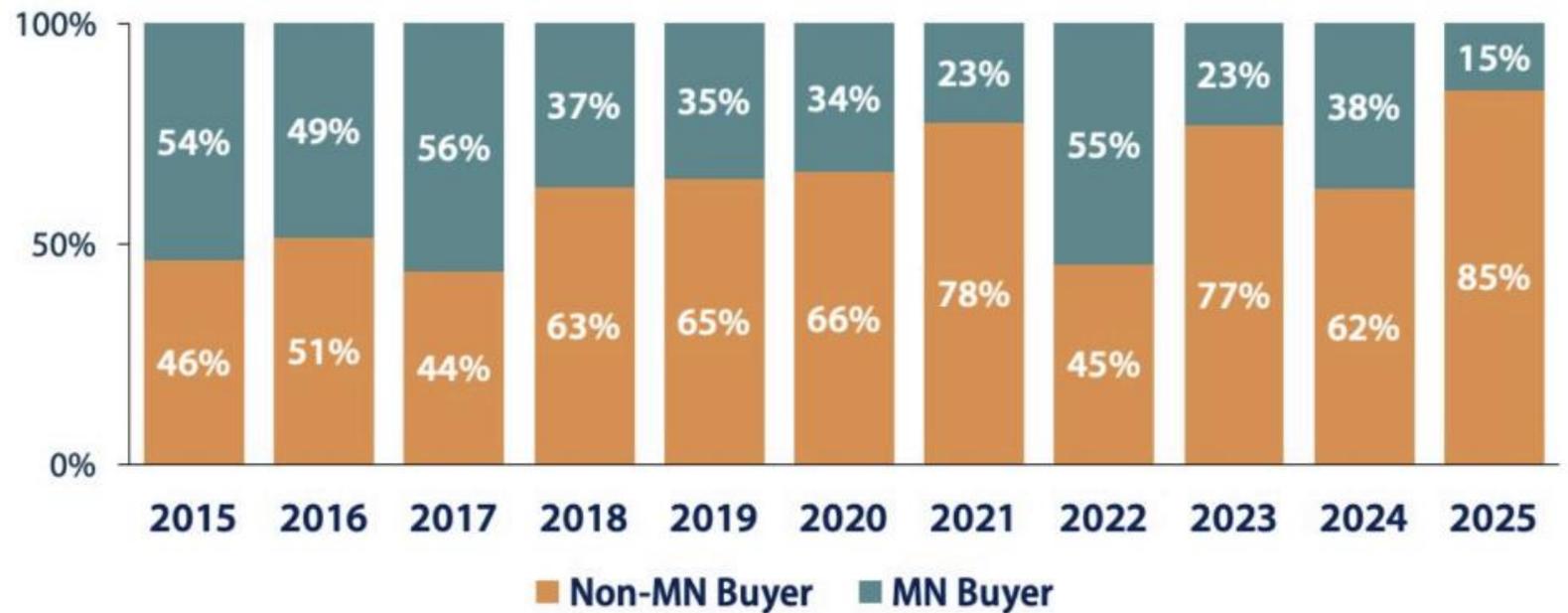


Out of State Speculation

Since 2015, 30% of the state's manufactured housing has been purchased by out-of-state investors

- 142 communities
- 13,533 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 (5,654 units, 27 communities)

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

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

Manufactured Home Communities Owned by Private Equity (PE) in Minnesota		
Company	Number of Units	Number of Communities
Havenpark Communities	3,422	11
RHP Properties	2,270	13
Riverstone Communities	1,280	7
Other (5)	1,034	9
TOTALS	8,006	40
Statewide Total	44,494	808
% of Statewide Total Owned by PE	18%	5%



Legislative Response to Out of State Speculation

Advancements in 2023:

- \$10 million direct appropriation for acquisition 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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