

# NCF

Northcountry Cooperative Foundation



# Homes For All Policy Proposals

Shaun McElhatton  
Senior Development Director

# Who we are, what we do

- Northcountry Cooperative Foundation, started in 1999
- Nonprofit 501(c)(3) organization
- Core services: Technical assistance, development services to new and existing cooperatives
- Facilitate resident purchases of manufactured home communities
- Revenue: Grants from foundations, government and fees from housing projects, services
- ROC Network® Certified Technical Assistance Provider: one of eight CTAP's doing this nationally

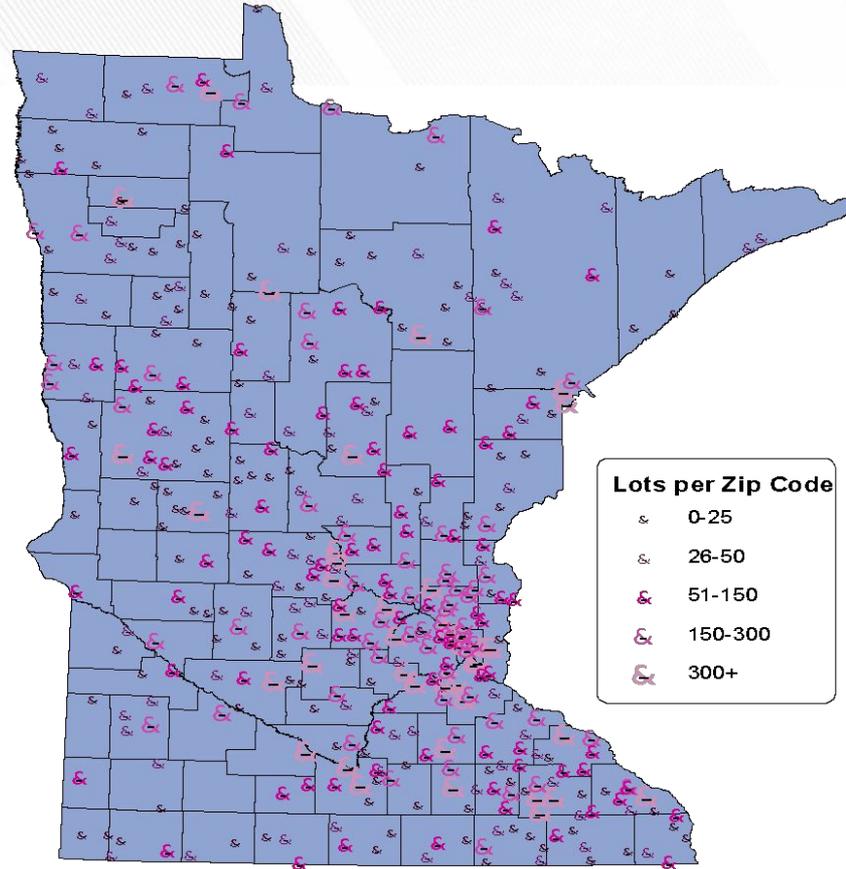
## National picture

- Almost 50,000 manufactured housing communities
- About 2.9 million households
- Today, about 1,000 (2%) are resident-owned
- 70% of new homes sold in the U.S. for less than \$150,000 are manufactured homes
- Today, about 1,000 (2%) manufactured home communities are resident-owned

# State's Most Affordable Ownership

# The Stock:

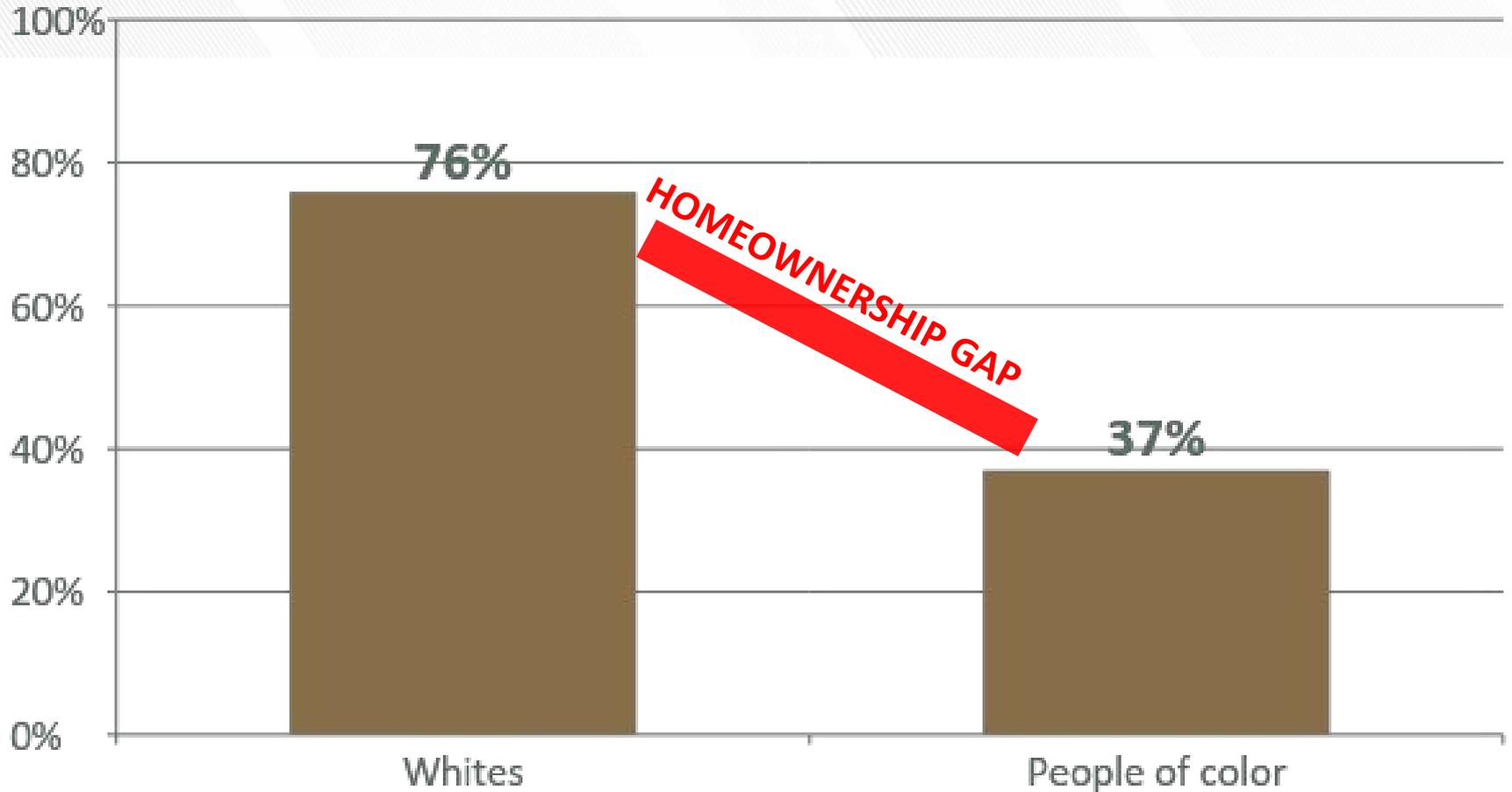
- Statewide:
  - 74,000 total manufactured units
  - 65,000 are owner-occupied
  - 50,000 units in investor-owned MHC's
- Home ownership rate: **87%**
- Over 950 investor-owned communities
- Largest single source of unsubsidized affordable housing in state
- Houses one of four households at 50% AMI
- Little understood as an affordable housing resource



Housing Preservation Project, 2005

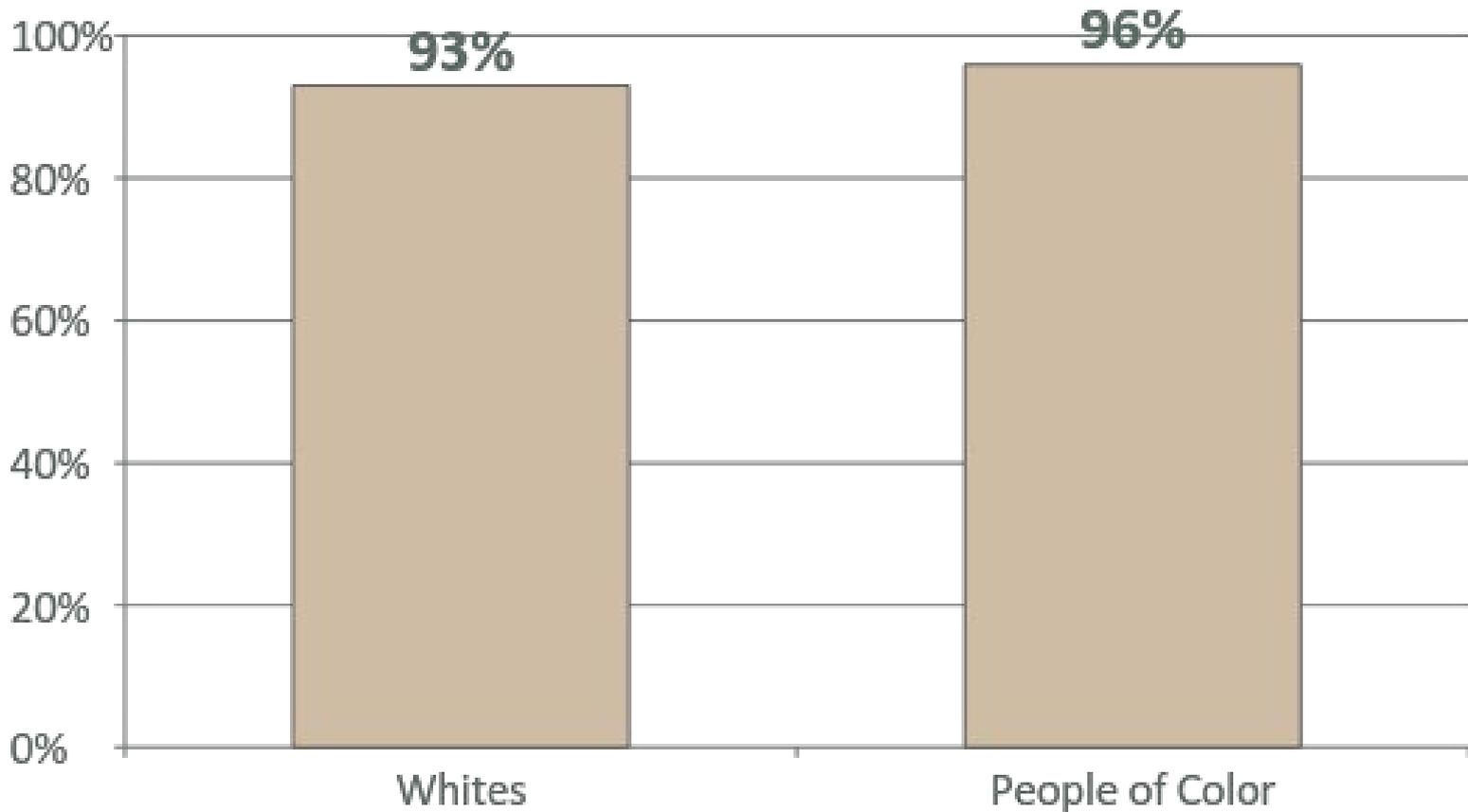
# Homeownership Rates

## Twin Cities metropolitan area

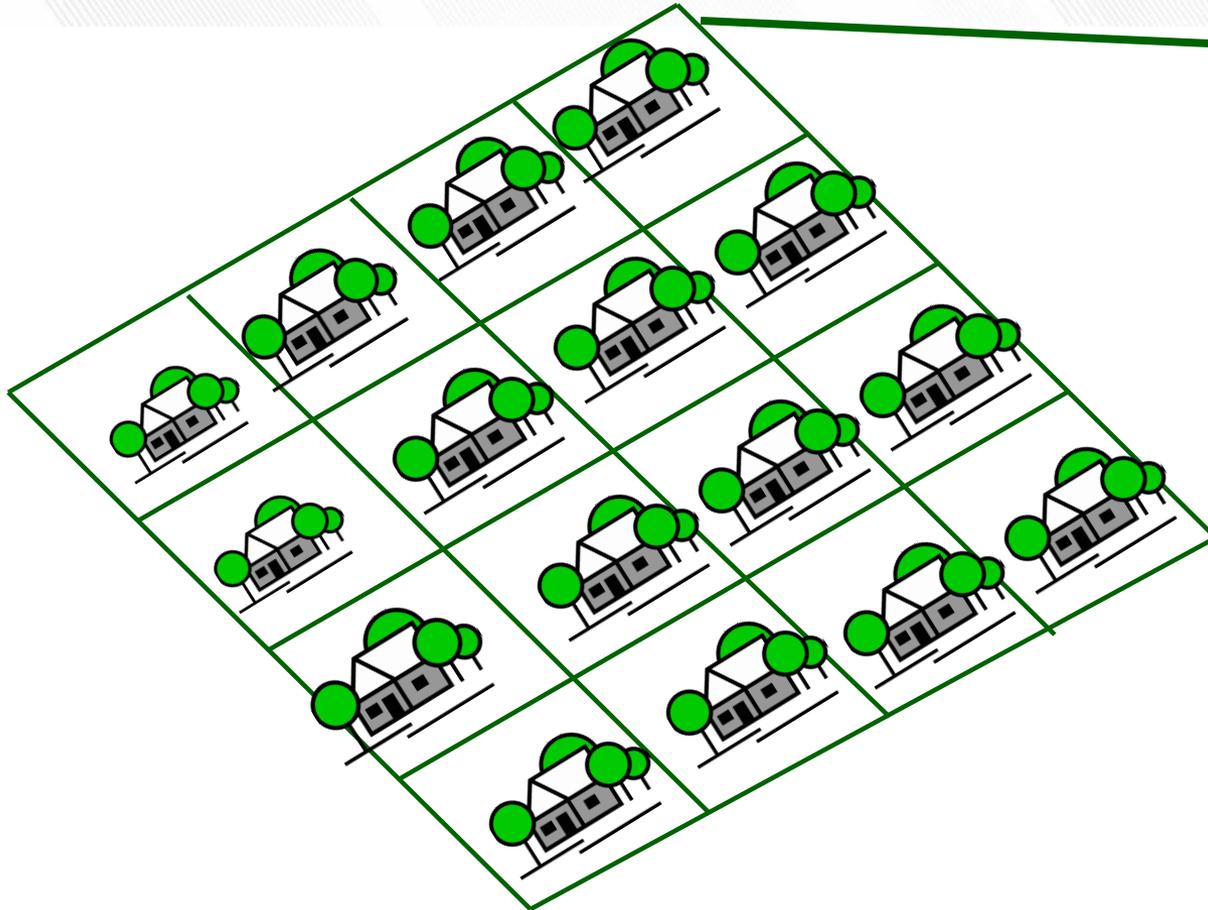


Metropolitan Council, 2012.

# Homeownership in Manufactured Housing Twin Cities metropolitan area



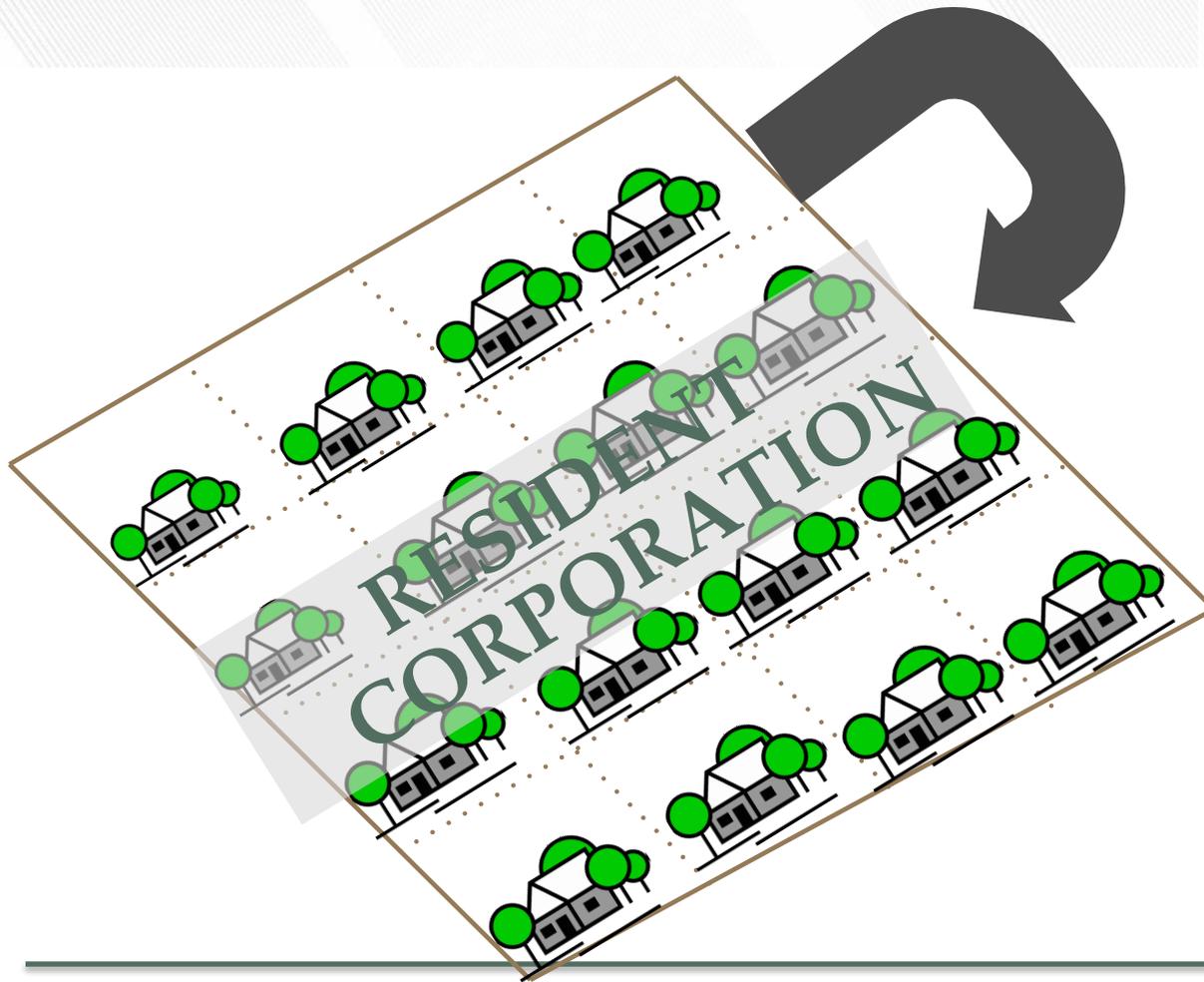
U.S. Census, 2013.



## Owner

- Investor owns land under the homes
- Regular rent increases
- No direct voice in park policies
- Little incentive to invest in park
- No land ownership for residents
- Home depreciation
- Risk of displacement

# Resident-owned community



- Resident-owned corporation owns the land under the homes
- Monthly lot rent increase only with operating costs
- Direct voice in community rules and policies
- Strong incentive to invest in park
- Potential for growth in home equity
- No risk of displacement

# Long-Term Impact

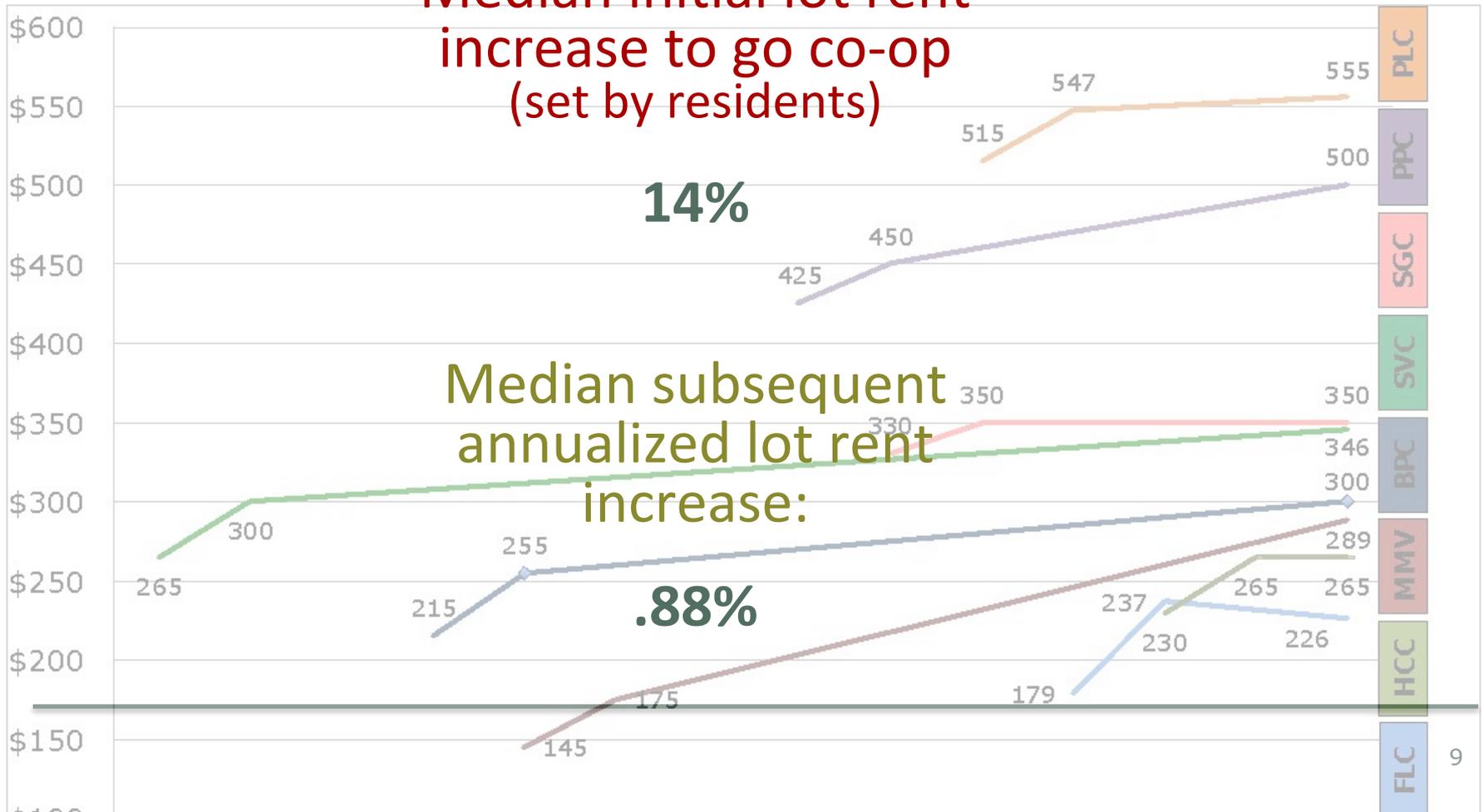
## Stabilized monthly lot rents

Median initial lot rent  
increase to go co-op  
(set by residents)

**14%**

Median subsequent  
annualized lot rent  
increase:

**.88%**



Investments to sustain and improve quality of life

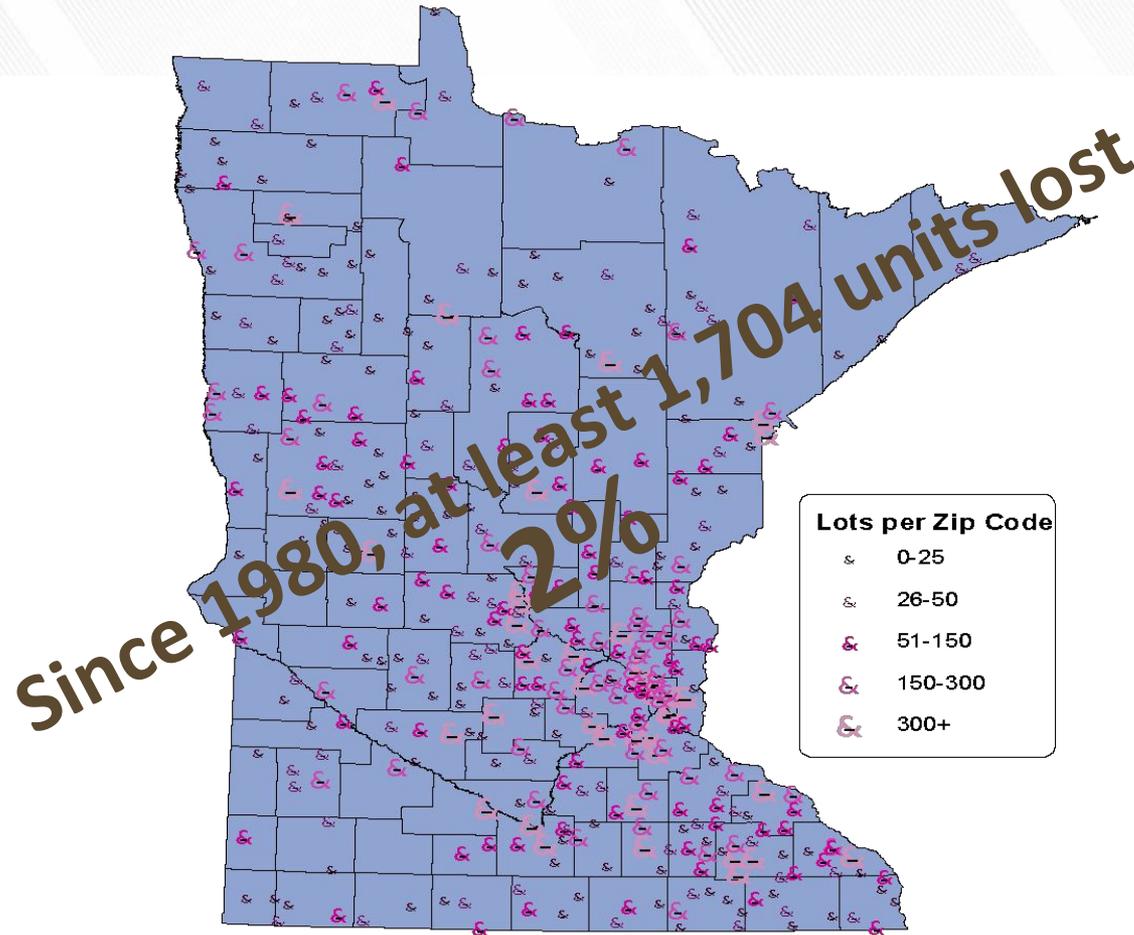
	Secure Mailboxes	Bus Stop	Storage Building	Garages	Water mains/meters	Sewer relining	Storm Shelter	Streets	Solar
SVC	X	X					X	X	X
BPC	X							X	
MMV		X							
PPC					X / X	X	X	X	X
PLE								X	
FLC							X		
HCC						X	X		X

**\$1.7 million of capital investments completed/underway; Another \$1 million planned**

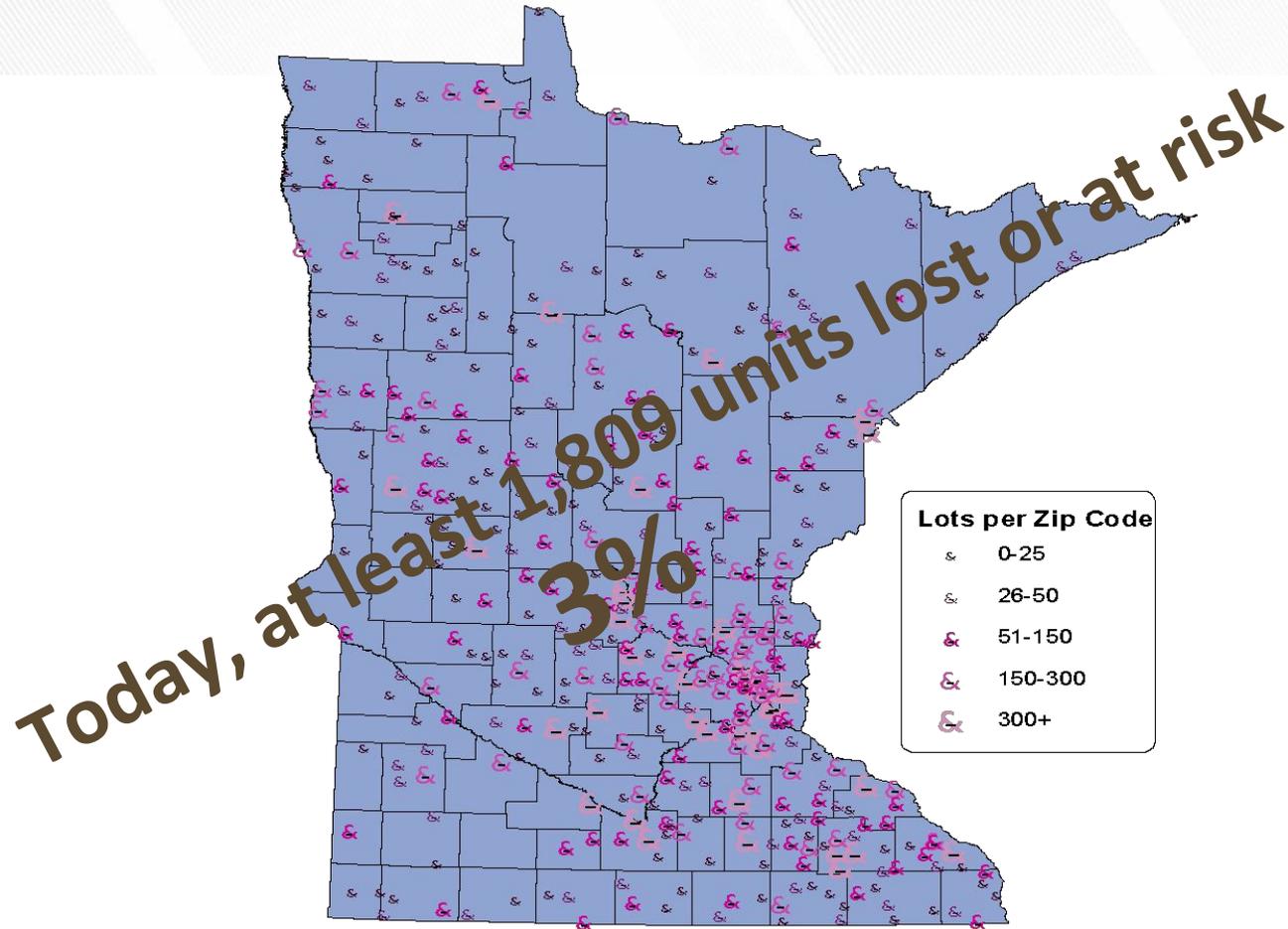
X = COMPLETED

X = PLANNED / PENDING

# The Losses (1980-2016)



# Lost or At Risk Today (2016)



# 2018 NCF Preservation Policy Agenda

1.



## Infrastructure funding

2.

## Restore renter's credit

MINNESOTA • REVENUE

2015 Form M1PR, Homestead Credit Refund (for Homeowners)  
and Renter Property Tax Refund

Your First Name and Initial		Last Name	Law
Mar	If a Joint Return, Spouse's First Name and Initial	Spouse's Last Name	
SSN ID#			
Address	Current Home Address (Street, Apartment Number, Route)		

## Restore Renter's Credit

- would allow taxpayers living in resident-owned MH cooperatives to claim the property taxes paid on the land beneath their homes to be calculated when computing and applying for a refund.
  - ensures that 600 households living in 7 manufactured housing cooperatives throughout the state are treated the same as all other property tax payers in the state.
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- Manufactured Housing is very affordable ownership option for many, but it is disappearing at an alarming rate. The current tax treatment is a contributing factor and disincentive to other parks becoming resident-owned and thus permanently preserved communities.
  - Corrects an earlier legislative mistake
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# Infrastructure Funding

- Fund established in 2017, but not funded
  - Many of the 1,000 manufactured home parks in Minnesota are over 50 years old and are served by privately owned infrastructure systems that are approaching the end of their useful lives.
  - Park owners' rational choice may be to close a park and evict all residents rather than incur the substantial expense required to replace failing infrastructure.
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- As noted above, many units have been lost in recent years and more are threatened.
  - The rate of park closures and homeowner displacement due to failure of these privately owned infrastructure systems is accelerating.
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Questions?

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