



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

March 2, 2018

Dear City Planner/Official:

All Parks Alliance for Change (APAC) is a homeowners' association that represents the residents of manufactured housing parks across the state of Minnesota and the region. APAC staff and resident leaders are very interested in working with you to improve the wellbeing of your City's manufactured housing residents.

The Great Recession set the stage for an affordable housing shortage in the Twin Cities metro area. Manufactured housing is an important source of unsubsidized affordable housing that we can no longer afford to ignore. Manufactured housing provides more affordable housing units across the State of Minnesota than any other form of affordable housing, indicating the importance of supporting this housing option.¹ This letter contains recommendations for how your City can utilize manufactured housing to reach its affordable housing goals as set by the Metropolitan Council.

Implementing these recommendations will boost your housing performance score, improve the wellbeing and opportunities of your low-income residents, and will enhance your ability to obtain future funding opportunities from Metropolitan Council in accordance with the Livable Communities Act of 2011. In addition, we have provided specific policy recommendations. These include the following suggestions:

1. Use manufactured housing to address affordability without new large-scale multifamily construction;
2. Change ordinances to allow manufactured homes to be sited in residential districts outside existing parks;
3. Improve your City's level of affordable housing by reducing loan barriers to move residents into currently available manufactured housing units;
4. Generate funding opportunities for repair and maintenance, and set standards for infrastructure in manufactured housing parks;
5. Encourage resident purchase of communities through local tax incentives and first refusal rights;
6. Promote manufactured housing within your comprehensive plan and other city outlets as a primary unsubsidized affordable homeownership option for low-income working residents; and
7. Actively reduce stigma against manufactured housing.

This package includes guiding documents to assist you in your comprehensive planning process. These include this cover letter, a Guide to Manufactured Housing Best Practices, Recommendations from APAC's report to the Greater Minnesota Housing Fund, Sample Positive Manufactured Housing Comprehensive Plan Language, and sample language for a Manufactured Housing Improvement Loan Program.

We invite you use these resources as you update your City's Comprehensive Plan and develop strategies to improve affordable and manufactured housing. APAC has a unique 35-year focus on manufactured housing policy, research, and analysis. Our organization occupies a central role in sharing information about this unique form of housing, and can also help you reach park residents to advance your programming and policies. Please do not hesitate to contact us with any questions, comments, or concerns.

Sincerely,

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All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

Guide to Manufactured Housing Best Practices

The bottom line is that manufactured housing creates opportunities for unsubsidized, affordable, first-time homeownership for individuals who would otherwise never be able to own a home. The pressure that the Great Recession has placed on local economies has generated considerable burdens upon both government resources and low-income populations, pointing to the need to identify and leverage the underutilized value of manufactured housing in your City's housing implementation strategies and comprehensive plan language.

The following sections describe key areas to consider regarding the successful use of manufactured housing as a means of meeting your City's affordable housing needs. These are areas that your City's Comprehensive Plan should clearly identify and describe. Some basic alterations to policies can help ensure that manufactured housing remains a safe, long-term, cost-efficient, and affordable housing option for your City's residents.

1. Use manufactured housing to address affordability without new large-scale multifamily construction

High-density housing is considered ideal for developing affordable housing because connecting developments to utility infrastructures is less costly than it is in low-density areas. According to CFED, manufactured housing is "Produced in one-fifth the time and at half the cost of site-built homes, manufactured housing assembled in a controlled, factory environment uses fewer materials and generates 35%-40% less waste than comparable site-built units."² New Energy Star manufactured housing is capable of blending in with other types of housing, has higher energy-efficiency levels than site-build housing, and is much more time and cost-efficient to build:

on a per dwelling unit (DU) basis, manufactured homes have significantly lower environmental impacts and are more sustainable across a range of key sustainability indicators than either single family homes or the condominium/town home units. Apartments have lower impacts in many areas due to their small size and density; however, they are not as affordable and do not provide home ownership benefits. While these benefits will vary by location, community age, density and other factors, this case study is representative of the types of benefits manufactured homes provide.³

These qualities suggest that manufactured housing provides a valuable tool to meet the affordable housing needs of your community, and has the potential to boost the sustainability of your community through investment in Energy Star homes, infrastructure, and retrofits.

Often, in suburban regions, high-density areas available for affordable housing development are scarce, which hinders a city's ability to easily generate new cost-effective affordable housing. Because input time, waste, and other costs are far lower for manufactured housing, it presents a way to get around this barrier, and is positioned to improve affordable housing rates and raise densities outside of the City's center. As the Metropolitan Council suggests,

Manufactured home parks help ameliorate the shortage of housing affordable to low- and extremely low-income residents and do so without public subsidies. [Our data] shows that compared to the region's share of housing units that are affordable to people who make 30%



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

and 50% of Area Median Income, a much higher portion of the manufactured housing units are affordable to residents in these income levels. Manufactured home parks are distinctive as a housing option for many economically disadvantaged residents.⁴

Supporting existing manufactured housing to generate cost-effective, mid-range density affordable housing can help address problems associated with finding enough scarce high-density land to support it. Doing so would also align with NIMBY (“not-in-my-backyard”) positions that insist that low-income housing should be spread out, and not be concentrated in the center of the city, which lower input costs associated with high-density areas incentivize. Investing in manufactured housing can help reduce the concentration of affordable housing in the city center and can alleviate pressures created by not being able to find high-density areas that are readily available for new affordable housing development.

2. Change ordinances to allow individual manufactured homes to be sited in residential districts outside existing parks

Altering ordinances to allow manufactured homes to be sited on fee-simple lots in residential districts outside parks is a common practice in Greater Minnesota. Research shows that manufactured and site-built homes share the same levels of durability, longevity, craftsmanship, and aesthetic quality, while manufactured housing allows for substantial savings on time, waste, and input costs.⁵

Modern manufactured homes blend into surrounding neighborhoods, and if managed properly, do not lower surrounding property values or raise crime rates more than other types of housing. Concentrated poverty and poor management practices in particular, not simply the presence of low-income housing, have been identified as primary problems that can destabilize communities. A 2010 University of Chicago academic article suggests that manufactured housing is not more likely to contribute to crime than other forms of housing.⁶ A Thrive MSP report also refutes the myth that affordable housing contributes to either higher rates of crime or lower property values.⁷

These points suggest that the City and its residents consider the evidence whenever tempted to make or listen to negative claims about the value of manufactured housing and affordable housing, and that a more nuanced perspective would identify well-managed manufactured home parks as a valuable resource to the community. Ordinances that allow individual manufactured homes to be sited outside of manufactured home parks would allow residents to purchase land underneath their homes, allowing them to become more invested in successfully managing their own property while also boosting the City’s affordable and owner-occupied housing rates.

3. Improve your City’s level of affordable housing by reducing loan barriers to move residents into currently available manufactured housing units

Your City can expand its affordable housing without building new units. Within the City’s manufactured housing parks, there may be room for more affordable living options. Lot and home vacancies exist as “low-hanging fruit”—relatively simple opportunities that the City can use to improve its supply of affordable housing.



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

Enabling interested potential residents to move into these units can help the City capitalize on a substantial set of underused resources, making them work for its bottom line as well as for the overall wellbeing of the community and low income individuals. The Metropolitan Council states,

unused manufactured home park capacity presents an opportunity for the region to expand its affordable housing stock. If all of the empty pads had a double-wide home placed on them and a family moved into each unoccupied home, the region could provide affordable housing to 1,164 additional families. If each empty pad had a single-wide home on it and a family rented or owned all of the unoccupied homes, this would mean 1,868 more affordable homes in the region. To put this number in context, in 2014, the region added 777 units that were affordable to households who made 60% or less than the Area Median Income.⁸

Helping reduce financial barriers faced by these individuals, such as making quality loans easier to obtain, can decrease vacancy rates and increase your City's affordable housing level. Although sales have dropped since the Great Recession, this does not reflect a reduced demand for manufactured housing:

“While demand for affordable housing remains high, the tightened credit market has devastated the industry,” said Fridley Mayor Scott Lund, who sells manufactured homes and owns a manufactured-home community ... “the tightening of the financial market has caused less people to get loans to purchase manufactured homes.”⁹

In Minnesota, manufactured homes are still considered private instead of real property, which places substantial disadvantages upon residents who are seeking loans to purchase them.¹⁰ These “chattel” loans provide fewer consumer protections, for example, and have much higher interest rates.¹¹ Given that demand is still high for manufactured homes, programs should be established that are specifically tailored to help potential manufactured housing residents obtain loans to fill vacancies and reduce any associated consumer protection problems. Partnerships with local banks and loan providers could help accomplish this goal.

4. Generate funding opportunities for repair and maintenance, and set standards for infrastructure in manufactured housing parks

New manufactured housing is energy efficient, making it ideal for communities attempting to generate sustainable low-income housing: “Compared to a typical HUD Code manufactured home, an Energy Star qualified manufactured home can save homeowners from \$190 to \$246 a year in average energy costs, or 24% to 29% of total heating and cooling costs.”¹² Numerous options to improve the energy efficiency of older manufactured homes are also available.¹³

One option is to support the repair and replacement of pre-1976 homes with energy efficient homes in rehabilitation and weatherization programs, matched savings programs (Assets for Independence) and energy subsidy programs (Low Income Housing Energy Assistance Program). It is also possible to allow infrastructure improvements for a manufactured home park where at least 51 percent of the residents are low or moderate-income persons eligible for CDBG funding.¹⁴ Obtaining CDBG funding for this purpose can help to finance improvements of park infrastructure.



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

As energy-efficient affordable housing is becoming more popular due to falling costs of solar and other “green” technologies, manufactured housing has emerged as a particularly useful way to implement them. The input costs of green technologies in manufactured housing parks can be far lower than site-built housing and may also present additional qualities that make it highly advantageous to support emerging green technologies. For example, manufactured housing parks probably catch more sunlight than areas with more variety in building height, giving them a competitive advantage when it comes to installing solar panels on roofs, which could then be networked together to sell energy back to the grid.

Standards should be set for manufactured home parks’ physical plant, including roads, water supply, trash disposal, lighting, pest control, electrical service, and sewer systems. Historically, guidelines have not been in place to preserve manufactured housing, which enables critics to cite decrepit infrastructure as an argument against manufactured housing overall. This argument is unfair, and does not take into consideration that park residents have traditionally faced scorn from city governments and local residents. They also commonly face unreliable management that has an incentive to boost profits by forgoing infrastructure investments, all factors which have reduced residents’ ability to obtain political and financial support to make improvements in the first place. Manufactured housing residents may possess little capacity to make such widespread improvements without substantial support. If infrastructures are well managed in manufactured housing communities, there is no reason that high levels of quality, safety, and physical appeal cannot be attained.

5. Encourage resident purchase of communities through local tax incentives and first refusal rights

The creation of resident-owned communities can improve manufactured housing parks as an affordable housing option. There are currently seven resident-owned park cooperatives in Minnesota, and many more nationwide.¹⁵ Residents may form a cooperative that gives them management responsibilities, which has the potential to greatly reduce tensions between residents and management, a common problem that exists in many parks. Owning land under their homes presents a variety of potential benefits to residents, who have more opportunities to make changes and preserve parks in ways that they see fit. The City could support resident ownership of its park as a way of improving resident investment and accountability to their community.

Cooperatives have the potential to improve public safety, investment in infrastructures, park attractiveness, and the upward economic mobility of residents as the collective works to address its own immediate needs instead of depending on a manager or owner to handle them. Because residents have a unique sense of buy-in and responsibility to their neighborhood and community as part of a cooperative, they are often able to avoid problems commonly faced by parks with a more traditional governance structure. Providing tax incentives to make it easier for residents to purchase their parks could greatly enhance manufactured housing as a resource in your community. For example:

- CDBG funding can help residents to finance the purchase of a park.
- A city or a community development housing organization (CDHO) can apply for the 15 percent of a HOME allocation that is exclusively available to CHDOs and the



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

additional 5 percent of the HOME allocation that may be used for capacity-building activities of CHDOs.

- Waive or reduce transfer taxes when a park owner sells the property to the residents.
- Waive or reduce business licensing fees for resident-owned communities.
- Forgive tax liens or liens for municipal services on a resident-owned community that were imposed when the property was owned by an investor owner.

Related to the creation of resident-owned communities is the use of rights of first refusal provided under Minnesota State law that enables residents to purchase a park upon notice of closing, as long as they can meet the standing offer. Extending time limits to enact these rights would give park residents an additional means of preserving affordable housing rates in the community, and ultimately reduce the financial and emotional stresses associated with being forced to move. Rights of first refusal could be enhanced with a local ordinance that provides an extension of time to submit corresponding paperwork upon any zoning change, as in Stacy, Minnesota:

§ 114.09 EXTENSION OF PERIOD OF RESIDENTS' RIGHT TO PURCHASE

Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within 1 year of the execution of the agreement. The park owner shall provide a resident of each manufactured home with a 180-day written notice of the purchaser's intent to close the park or convert it to another use. During this 180-day notice period, owners of at least 51% of the manufactured homes in the park, or a nonprofit organization which has the written permission of the owners of at least 51% of the manufactured homes in the park to represent them in the acquisition of the park, shall have all rights to purchase the park as afforded under M.S. § 327C.095, Subd. 6.

(Ord. 2007-7-1, passed 7-17-2007)¹⁶

6. Promote manufactured housing within your comprehensive plan and other city outlets as a primary unsubsidized affordable homeownership option for low-income working residents

Manufactured housing is a substantial source of resident-owned affordable housing. Resident-ownership is a valuable way of building assets in low-income communities. It allows for ownership and investment in property that can be sold at a later date for profit, and provides resident-owners with a sense of responsibility to their neighborhood, fostering higher investment in upkeep, maintenance, and public safety. Most residents of manufactured homes own them, which is a valuable characteristic that no other type of housing can match:

Manufactured housing units also offer homeownership opportunities to families for whom ownership is otherwise difficult or not possible. In fact, the homeownership rate among manufactured home residents (90%) is higher than the rate for the residents who live in other types of homes (74%).⁹ Moreover, as Figure 3 shows, manufactured units house families at costs that are much lower than other types of housing with median monthly



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

housing costs for manufactured home owners only 55% of the median monthly housing costs of homeowners in the region.¹⁷

Because resident-owners typically stay in place for a longer period of time, their presence increases the stability of communities, and because they have devoted a higher level of investment in their homes, they are more incentivized to care for their community and to be interested in the safety and wellbeing of their peers. This increases levels of social-capital and buy-in among members of a community, which are critical factors that contribute to building economic mobility through asset development and maintaining successful neighborhoods:

Home equity is a major source of personal wealth in the United States. It comprises roughly one-third (31.8%) of net worth for American households. Home equity plays an even more important role for low- and middle-income families, accounting for approximately half of the net worth of families in the bottom 60% of the income distribution in 2007.¹⁸

Manufactured housing is workforce housing. Connecting low-income working individuals in your City to adequate transportation and housing can facilitate their upward mobility instead of pushing them back into poverty. Due to the economic “multiplier effect,” this is in the best interest of all businesses in the community because greater numbers of individuals have the opportunity to purchase their goods and services, and to work for them.

7. Actively reduce stigma against manufactured housing

The more that low-income individuals are denied opportunities to fully participate in the workplace or to secure essential needs such as housing, the more likely they are to resort to socially-destabilizing behavior, such as property crime to compensate for immediate financial needs, or to alcohol consumption and substance abuse as “self-medication” for trauma and stress when these needs are not met. These patterns of behavior can impose far-reaching destabilizing effects upon entire communities, and pose threats to the wellbeing of the community as a whole, not just its low income individuals. Supporting ordinances, rhetoric, policies, and institutional practices that undermine and withhold value from low-income populations is not in the best interest of your community overall, and these approaches are not a sustainable or cost-efficient use of public taxpayer revenue.

Creating programs and funds that train individuals to better care for their homes by teaching them skills that they can use into the future would be a more effective use of your City’s time and money than policies that seek to regulate behavior through punishment, and would build these communities up to be better participants in the City overall, instead of continuing the legacy of destabilization that has traditionally and consistently denied wellbeing to low-income individuals in manufactured home parks.

One of the common stigmas that park residents face is that their mode of housing is associated in public discourse with transience, irresponsibility, and disrepair. We do not call manufactured home parks “trailer parks” anymore, not only because of the unfortunate association of the term “trailer trash” and its negative connotations, but also because the term “trailer” no longer represents the actual use of most manufactured homes, which most often stay in place for their entire lifetimes. The idea that manufactured homes are easily moved contributes to a lack of public awareness of the problems that residents face when they are forced to move due to a



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

park closure or change of use, and translates into additional burdens placed on the residents by outsiders who assume that moving should be no problem for them. The term “mobile home” is outdated for the same reason:

Although most “mobile” homes are never moved and new manufactured home placements are increasingly titled as real estate rather than personal property, we estimate that nearly two-thirds of them – most of which are located in land-lease communities – are still titled like automobiles rather than as real estate. Titling manufactured homes as personal property increases homeowners’ difficulty in obtaining mortgage financing. With personal loans instead of mortgages, these owners lose out on many of the consumer protections afforded to buyers of site-built homes.¹⁹

Many residents of manufactured housing parks are disabled, elderly, minorities, and/or veterans, which means that when a city or community acts in discriminatory ways against park residents, it is adding increased burdens upon already heavily stigmatized and disadvantaged populations. According to the Metropolitan Council’s recent report, “In manufactured home parks, 44% of residents live in households with incomes at or below 185% of federal poverty level, compared to 22% of all residents in the region. The parks are also an important source of housing for the region’s residents with disabilities: 14% of the park residents have disabilities compared to 9% of the residents of the region.”²⁰

A study by the Consumer Financial Protection Bureau’ states that its “findings underscore the importance of the manufactured housing sector as a source of affordable housing for some consumers, including those outside of metropolitan areas, older households, and lower-income households. At the same time, these same groups include consumers that may be considered more financially vulnerable and, thus, may particularly stand to benefit from strong consumer protections.”²¹ Developing a plan to educate your community on these issues can help dispel the myths associated with manufactured housing. This letter articulates many points that you could use in developing an awareness-building strategy.

Research suggests that a primary reason that affordable and manufactured housing has so much stigma attached to it is that it has been poorly managed, not simply because low-income residents necessarily cause trouble or reduce property values in surrounding neighborhoods. One study suggests, “well-designed and well maintained or managed manufactured houses would not negatively impact adjacent properties.”²² In addition, well-managed manufactured housing is unlikely to cause higher crime rates in surrounding areas.²³ The Metropolitan Council has also attempted to dispel fears related to affordable housing in a recent publication, suggesting, “The design, management, and maintenance of any residential property determine whether or not it is a detriment or asset to its neighbors, regardless of the income of its inhabitants.”²⁴ These points suggest that supporting manufactured housing in your communities can create substantial value, regardless of stigma against it.

Recognizing that the whole community stands to benefit from improving the stability of its most vulnerable members can help overcome political pressures that stigmatize the poor and disadvantaged. Discriminatory policies self-reinforce the stigma that they are founded upon, and their supporters often fail to recognize that such policies have largely been responsible for the undesirable outcomes they seek to punish. Instead of fostering dysfunction in low-income communities by withholding resources from them, it is in the long-term best interest of cities,



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

planners, and communities overall to facilitate community-level supports and services for manufactured housing park residents, investment in and rehabilitation of park infrastructures, and to reduce and rescind overly-disruptive policies that target them and destabilize their wellbeing.



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An Organization of Manufactured Home Park Residents

Resources

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- ² CFED. Getting the Facts: A closer look at manufactured housing and I'm Home. Found at Website: http://cfed.org/programs/innovations_manufactured_homes/about_manufactured_housing/facts_about_manufactured_housing/
- ³ CTG Energetics, Inc. 2012. Sustainability in Manufactured Home Communities: Cost-Effective Energy, Water and Community Infrastructure Strategies to Maximize Long-Term Value. Pg. iv. Found at Website: <http://rocosa.org/uploads/Sustainability%20in%20Manufactured%20Home%20Communities%20-%20White%20Paper.pdf>
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- ⁸ Metropolitan Council. (2016). Manufactured Home Park Preservation Project Report. Pg. 4. Found at Website: http://metrocouncil.org/Council-Meetings/Committees/Metropolitan-Council/2016/6-8-16/0608_2016_Manufactured-Home-Park-Equity-Grant-Repo.aspx
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- ¹¹ Consumer Financial Protection Bureau. (2014). Manufactured-housing consumer finance in the United States. Pg. 32. Found at Website: http://files.consumerfinance.gov/f/201409_cfpb_report_manufactured-housing.pdf
- ¹² CFED. Getting the Facts: A closer look at manufactured housing and I'm Home. Found at Website: http://cfed.org/programs/innovations_manufactured_homes/about_manufactured_housing/facts_about_manufactured_housing/
- ¹³ Energy.Gov. Energy-Efficient Manufactured Homes. Found at Website: <http://energy.gov/energysaver/energy-efficient-manufactured-homes>
- ¹⁴ United States Department of Housing and Urban Development. Community Development Block Grant Program - CDBG. Found at Website: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs
- ¹⁵ North County Cooperative Foundation. 2015. Found at Website: <http://northcountryfoundation.org/impact/>



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

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All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

Recommendations from APAC's Report to the Greater Minnesota Housing Fund

Including Manufactured Housing in Land Use Planning:

- Some state comprehensive planning statutes specifically require comprehensive plans to address the role of manufactured housing. For example, an Idaho statute requires comprehensive plans to include “plans for the provision of safe, sanitary and adequate housing, including ... the siting of manufactured housing and mobile homes in subdivisions and manufactured housing communities and on individual lots which are sufficient to maintain a competitive market for each of those housing types and to address the needs of the community.” The comprehensive planning statute may also require the local jurisdiction to make provision for affordable housing or a range of housing types.
- The state can promote inclusion of manufactured housing issues in the consolidated plan that local jurisdictions submit when they seek funding from HUD. Putting preservation and improvement of manufactured home parks in a consolidated plan can make it easier to obtain CDBG, HOME, and other federal funding. Cities can include manufactured housing in their plans through goals for affordable housing, fair housing, neighborhood revitalization, and anti-displacement and relocation planning.
- Follow the example of the MnDOT working group (which involved residents, advocates, and state and local road authorities) and adopt best practices for developing public projects that focus on avoidance, replacement, and fair relocation compensation. When all or part of park is lost due to either a public or private redevelopment project, the local jurisdiction could require replacement of these lost units through either the creation of a new park or the expansion of an existing park. Most logically, the replacement would occur within the governing jurisdiction (city, county, or region).
- In planning, zoning ordinances, and other ordinances, cities should use standard terminology, define terms, and cover a full range of topics, such as city services, home siting, zoning, floodway, and manufactured home parks.

Recommendations for Manufactured Homes:

- Encourage and make provisions for a range of housing options, including manufactured homes.
- Use manufactured housing in new subdivision development and as a method of providing infill housing in established developments.
- Adopt local zoning policies that allow manufactured homes on land owned by the home owner (“fee-simple” land).
- Allow manufactured homes to be placed as a matter of right, without any special or conditional use permit, in any zoning district where single family homes are allowed, subject only to the same restrictions and conditions as apply to other single-family homes.
- Prohibit the use of restrictive covenants by sellers that exclude manufactured homes.



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

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- Provide outreach and funding for home buyer education programs.
 - Provide better tools for appraising manufactured homes in order to provide a fair valuation of manufactured housing.
 - Provide an appeals process for manufactured home sellers who feel their right to an in-park home sale is being blocked by an arbitrary rejection of a buyer's application for residency.
 - Support the repair and replacement of pre-1976 homes with energy efficient homes in rehabilitation and weatherization programs, matched savings programs (Assets for Independence) and energy subsidy programs (Low Income Housing Energy Assistance Program).
 - Enact and fund new programs that support the replacement and removal of older homes, similar to Anoka County's commercial industrial recycling program and the Anoka County CAP Agency's Manufactured Home Replacement Program, which provides either new home down payment assistance or current home buyout assistance.
 - Provide tenant-based rental assistance (Housing Choice Voucher Program), which also allows individuals to apply their monthly voucher towards the purchase of a home. Negotiate with parks to fill persistently high vacancies through a project-based rental assistance program in which the park owner reserves some of the units.

Recommendations for Manufactured Housing Parks:

- Local zoning policies that preserve manufactured home parks
- Zone the areas where existing manufactured home parks are located as "manufactured home park only" areas. Adopting such an ordinance means that a park is the only use of the land that is allowed unless the park owner obtains a variance or zoning change.
- The zoning category might allow park owners to apply for a "manufactured home park only" designation.
- Within five days after the filing of an application for a change in zoning of a manufactured home park, require the park owner to provide a written notice of the application to: each resident, the directors of any resident association that has been established; and to the Minnesota Department of Health and Minnesota Housing Finance Agency, as the agencies overseeing licensing and closures, respectively.
- Provide owners of manufactured homes that are sited in a manufactured home park with all rights under local zoning laws and regulations that are extended to owners of land that abuts the real estate parcel that makes up the park.
- Other local ordinances that preserve and protect manufactured home parks.
- Set standards for manufactured home parks physical plant, such as roads, water supply, trash disposal, lighting, pest control, electrical service, and sewer system.
- Provide an extension of additional time for the state's "right of first refusal" purchase opportunity in any zoning change; as was done by the city of Stacy, MN.



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- Provide residents with a notice of any purchase offer for a manufactured home park.
- Obtain a local moratorium on closure of manufactured home parks
- Minnesota law includes a relatively broad authorization for a municipality to place a moratorium of up to two years on development (MN Statute 462.355). The law has the potential to stop redevelopment of manufactured home communities temporarily while the municipality adopts other ordinances or plans to address the crisis.
- Local tax incentives and other financial incentives for preservation of manufactured home parks
- To promote the general preservation and improvement:
 - Parks that apply for a “manufactured home park only” designation could pay a lower real property tax rate. The park will be taxed on the basis of its value as a manufactured home park, not on the basis of any other more profitable use.
 - Infrastructure improvements for a manufactured home park where at least 51 percent of the residents are low- or moderate-income persons are eligible for CDBG funding. Obtaining CDBG funding for this purpose can help to finance improvement of park infrastructure.
- To promote purchase by a preservation-minded owner:
 - CDBG funding can also help residents to finance the purchase of a park.
 - A city or a community development housing organization (CHDO) can apply for the 15 percent of a HOME allocation that is exclusively available to CHDOs and the additional 5 percent of the HOME allocation that may be used for capacity-building activities of CHDOs.
 - Waive or reduce transfer taxes when a park owner sells the property to the residents.
 - Waive or reduce business licensing fees for resident-owned communities.
 - Forgive tax liens or liens for municipal services on a resident-owned community that were imposed when the property was owned by an investor owner.



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Sample Positive Manufactured Housing Comprehensive Plan Language

Our goal of helping cities incorporate positive language towards manufactured housing in their Comprehensive Plans will help improve the array of resources and opportunities available to manufactured housing residents. To this end, we advocate not just including basic statistics describing manufactured housing in the city, but to describe the issues mentioned in the attached Guide to Manufactured Housing Best Practices and other recommendations clearly and to identify what is at stake for residents, the community, and the City. We reviewed approximately eighty cities' Metropolitan Area comprehensive plans, and compiled language below that identifies the benefits of manufactured housing. We provide highlights regarding what is positive about the language, followed by actual text copied from the corresponding comprehensive plans. Please use this resource as inspiration and as a model template to incorporate more favorable language towards manufactured housing in your City's comprehensive plan update for 2018.

Arden Hills – Identifies relative prevalence of manufactured housing in the City, although it could better identify manufactured housing as affordable housing.

"Nine percent of the housing in Arden Hills is manufactured/mobile homes compared to a regional average of just 1.6 percent" (2-7).

Blaine – Describes support of manufactured housing preservation, identifies importance of manufactured housing in community, and describes an available loan program for rehab and infrastructure.

"Although detached, single-family homes are the most prevalent type of housing in Blaine (66%), other significant types of housing include townhomes (11%) and mobile homes (15%). The concentration of mobile homes in Blaine is noteworthy because less than two percent of all homes metro-wide are mobile homes and Blaine has the largest supply of manufactured housing parks in the state" (3-12).

"Manufactured Loan Fund – income qualifying residents may borrow up to \$7,500 to fixup manufactured homes" (3-24).

"The City will support an effort to preserve existing affordable housing units including manufactured home parks and subsidized apartments and townhome complexes" (3-25).

Burnsville – Identified manufactured housing as affordable housing. Identified problems regarding owning homes but not land underneath, and problems facing residents due to park closures.

"People own their unit but do not own the underlying land and as such, they can be faced with enormous relocation costs if the park owner sells the park for another use. To protect mobile/manufactured housing park residents, the Burnsville City Council enacted an ordinance that requires the owner and/or developer



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to pay reasonable relocation costs to the residents. The city is not aware of any planned park closures. In 2004 the city considered policy changes in an effort to ensure mobile/manufactured homes remain in good condition and continue to be a valued style of housing for community residents. (IV-5,6).

"Affordable owner occupied housing is available in Burnsville in the form of single-family detached units, two-family homes, townhouses and mobile/manufactured housing." (IV-23).

Coon Rapids – States the preservation of manufactured housing as a goal.

GOAL : "3-2. The preservation of existing affordable units, including the manufactured housing at Creekside Estates manufactured home park" (4-20).

Corcoran – Identifies importance of manufactured housing as affordable housing and identifies disconnection between owning the home versus owning land underneath it.

"Using the total of 1,640 housing units from 2000 Census data (excluding manufactured homes), these 40 homesteads account for approximately 2 percent of the City's housing stock. However, because of the County's methods for assessing property and land values and available GIS data, this figure does not include any of the housing units located at the manufactured home park. It is likely that all 189 units in the manufactured home park would be considered affordable, since manufactured home values account only for the value of the structure and not the land upon which the structure is located. These units provide an important source of affordable housing in the community" (p. 67).

Dayton – Identifies importance of manufactured housing as affordable housing and identifies disconnection between owning the home versus owning land underneath it.

"As with other parks in the metropolitan area, this manufactured home community serves a vital demand for affordable housing. Residents typically own their home but not the land. Units are more affordable than smaller single-family homes or townhomes where land is a portion of the housing cost. Currently, Dayton Park operates on an aging community septic system. Due to the system's age and the possibility of failure, it is anticipated that water and sewer will be expanded to the park in the near future" (3-3).

Ham Lake – Identifies importance of manufactured housing as affordable housing.

"The City also contains older single family housing stock as well as apartments and mobile homes that offer an affordable variety of housing" (9-1).



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An Organization of Manufactured Home Park Residents

Hugo – Describes unique zone for manufactured housing.

“The Manufactured Housing Park designation includes areas where multiple manufactured housing structures are grouped together. There is one manufactured housing park located in the City along the east side of Highway 61 on the north end of downtown. There are approximately 105 manufactured homes within the park” (2-23).

Jordan – Identifies vacancies in manufactured housing that could be filled.

“The 2000 Census indicates 72 vacant housing units within the City; of those 30 were single-family detached structures (41.7% of structures), 29 (40.3%) were manufactured housing units, and the remaining were units in two to four unit structures, at the time of Census enumeration.” (4-6).

Lake Elmo – States the importance of maintaining and improving manufactured housing, connecting it to utilities, and standards for new homes. Also describes unique zone for manufactured housing and identifies importance of manufactured housing as affordable housing.

“Chapter IV. Housing Element 1. Maintain and improve the condition of the Cimarron Manufactured Home park; facilitative future access to the regional sewer and water systems when these services are available to the park. ... 5. Review the Zoning and Subdivision Ordinances to ensure that there are not any impediments to affordable housing. 6. Ensure that all new housing, including higher density developments, adheres to the highest possible standards of design and construction” (VII-4).

“Four hundred-thirty (or just over 76% of the City’s affordable units) are found in the Cimarron Manufactured Home Park where there is a mix of affordable ownership and rental opportunities. The remaining 137 affordable owner-occupied housing units are mostly located in the Western portion of Lake Elmo near County Road 6, as well as within the Old Village” (4-4). “Urban Medium Density – This category current defines areas within Lake Elmo dedicated to manufactured home parks. The Cimarron development is currently the only such area within Lake Elmo” (3-6).

Lakeville - Describes unique zone for manufactured housing, potential for expansion, and identifies importance of manufactured housing as affordable housing and as a resource that helps the City meet its goals for affordable housing. Also describes unique zone for manufactured housing as well as standards for new homes.

“Manufactured housing is also allowed as a conditional use within residential zoning districts allowing multiple family dwelling units as required by State Statute subject to specific minimum lot requirements and setbacks. Ardmore, Country View and North Creek manufactured home parks are all properly zoned RSMH, Residential Single Family – Mobile Home Park District. Ardmore and Country View are fully developed whereas North Creek has additional vacant land for future expansion. Future expansion of



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North Creek and continued operation of Ardmore and Country View manufactured home parks is guided by the 2030 Land Use Plan to continue and will be regulated by the RSMH District” (97).

“Promoting continued maintenance of existing single family dwellings, townhouses, multiple family units and manufactured housing aids in meeting Lakeville’s affordable housing goals” (92).

“Manufactured housing is an important component of the community’s housing supply with respect to affordability.” (97).

“Continued development of the North Creek Manufactured Home Park shall occur in a manner consistent with the performance standards established by the Zoning Ordinance” (159).

“RSMH, Single Family Manufactured Home Park District. The RSMH District is a separate district with performance standards for manufactured home parks. Allowed uses include single family dwellings and manufactured home parks. The density allowed in the RSMH District is less than six dwelling units per acre. The minimum lot requirements of the RS-4 District apply to all single family development. For manufactured home parks established after January 1, 1995, the minimum park area is five acres. Individual home sites within the park must have a minimum width of 65 feet and minimum depth of 120 feet” (174).

Lexington – Identifies substantial role of manufactured housing in community. Describes unique zone for manufactured housing and identifies importance of manufactured housing as affordable housing, and connecting it to support services and infrastructure.

“Paul Revere Cooperative Mobile Home Park makes up a significant portion of the housing in the community. (Paul Revere Manufactured Park became Paul Revere Cooperative Mobile Home Park in December, 2004). Approximately 19% of all housing is located here, which constitutes 12.8 acres of land, or 3% of the City” (5).

“Medium Density Residential This land use designation is limited to the existing manufactured home park. This area provides low-cost home ownership opportunities for a large number of residents. The City will allow a maximum of 10 residential units per acre ... Other planning considerations with regard to this area may include: ... - Identification of programs and services to meet any special needs of residents of these areas, including youth and seniors ... - Along Griggs Avenue in the central business district; connecting with multifamily buildings on the south and the Paul Revere Co-op Manufactured Park on the north” (27).

Lino Lakes - Identifies importance of manufactured housing as affordable housing.

“The manufactured home park on Hodgson Road (CSAH 49) is a long term land use providing affordable housing” (10-5).

Linwood Township – States potential for manufactured housing development, standards, and identifies importance of manufactured housing to the Township.



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“5. Mobile homes and mobile home developments will be permitted in the Township in accordance with zoning, sewer and water regulations” (41).

“Linwood Township is somewhat limited in its housing choices. Currently, single family and manufactured homes exist as the only residential living options. While the Township does exhibit a variety of single family home styles, sizes, and price ranges, it does not offer a multiple family housing alternative” (30).

Mounds View - Describes unique zone for manufactured housing and identifies importance of manufactured housing in the City.

“MHP: Mobile/Manufactured Home Park: Land under single ownership that has been planned and improved for the placement of mobile/manufactured housing for dwelling purposes; or land that has been planned, improved and subdivided for the placement of mobile/manufactured housing for dwelling purposes” (3-19).

“Manufactured homes comprise 11% of the total dwelling units, which exceeds the overall Ramsey County percentage of 3%. Overall, 70% of the housing in Mounds View is owner-occupied while 30% is rental” (4-7).

“R-5, Manufactured Home: The purpose of this district is to provide for the planned regulation of manufactured homes. Such homes are grouped together due to their particular space requirements, construction and style” (9-10).

Rockford – Identifies importance of manufactured housing in the City and the importance of low-income owner-occupied housing.

“Manufactured Housing. Manufactured housing constitutes a significant portion of housing in Rockford based on 2000 U.S. Census data indicating that these dwellings represent 33.5 percent of the City's housing supply. The availability of owner-type housing for low and moderate income households is to be encouraged within the City” (30, 31).

Shakopee – Identifies importance of incorporating park residents into planning that affects them.

“Given that funding for the new river crossing is not expected to be available for the next twenty (20) to thirty (30) years, the City (as well as Scott County) requested that MNDOT and the Metropolitan Council join with it and with the residents of these parks to identify strategies that would provide either minimize the impacts on these residents or provide them with like housing alternatives in the future.” (10-4).



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Shoreview – Identifies acceptability of continued use of land for a manufactured housing park. Couples potential redevelopment of a park with standards and requirements for that redevelopment that support affordable housing.

“The RM designation is intended to convey that the manufactured home park remains an appropriate use of the land and that the City does not wish to initiate redevelopment activity on the site or to make it a legal nonconforming use ... Redevelopment of the site shall adhere to the following policies: A. Any land use change of this site from the manufactured home park to another use must include the entire manufactured home park and the single-family residence at 1586 County Road J. B. Any change in the use of the single-family property, unless incorporated into the existing manufactured home park, must occur with redevelopment of the manufactured home park. C. The number of direct access points to County Road J shall be minimized. D. Trail connections providing access to the Rice Creek North Regional Trail Corridor and the nearby University property may be required as part of the redevelopment plan. E. Redevelopment of the site must expand housing opportunities and choices within the community. F. Redevelopment of this site must include a provision for affordable housing ... The incorporation of these uses into a redevelopment requires a comprehensive guide plan amendment” (4-19).



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Sample Loan Language

The attached Sample Loan Language template provides possible language for developing a loan program to support manufactured housing infrastructure development in your City. This language was developed by the City of Blaine, Minnesota.

Manufactured Housing Improvement Loan Program

1. **Program Intent:** The intent of this program is to make low-interest home improvement loans available to city residents to make basic manufactured home improvements. The guidelines below are subject to change at any time without notice. Loan funds are subject to availability. The current loan terms and conditions stated, including interest rates, do not constitute a commitment to lend or an offer to enter into an agreement, and that such an offer may only be made pursuant to Minnesota Statutes, Section 47.206(3) and (4).
2. **Interest Rate:** 4.5% fixed interest rate.
3. **Amortization Type:** Amortizing – Closed-End: requires borrowers to make monthly payments of Principle and Interest.
4. **Loan Amount:** Minimum: \$500; Maximum: \$10,000.
5. **Total Project Cost/Match:** It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event that the final cost exceeds the requested loan amount, the borrower must obtain additional funds and show verification of the additional funds in order to be approved for the loan.
6. **Term:** Minimum: 1 Year; Maximum: 10 years
 1. Generally, one year per \$1,000 borrowed; and
 2. No prepayment penalties apply.
7. **Eligible Borrowers:** All borrowers must be a legal resident of the United States, as evidenced by a Social Security Number, including:
 1. U.S. Citizens;
 2. Permanent Resident Aliens;
 3. Non-Permanent Resident Aliens;
 4. Tax Identification Numbers (ITIN) are not acceptable; and
 5. Properties held in a contract-for-deed, or equivalent security for mobile homes, are eligible as long as both parties, the purchaser and the seller, both sign the mortgage and the contract for deed holder signs a letter giving their approval of the project.



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8. Ineligible Borrowers:

1. Foreign Nationals;
2. Non-Occupant Co-Borrowers; and
3. Non-real person entities (such as Partnerships, Corporations, Trusts, etc.)

9. Eligible Properties: Residential mobile homes located within the geographical boundaries of the city. Single, double, or triple wide homes are eligible.

10. Ineligible Properties:

1. Non-Owner Occupied Homes;
2. Dwellings with more than 2 units;
3. Time Shares;
4. Properties used for commercial purposes; and
5. Properties held in the name of a trust.

11. Ownership/Occupancy: Owner Occupied.

12. Loan-to-Value: Maximum: 115%.

13. Income Limits/Requirements: No Income Limits.

1. All income must be derived within the United States.

14. Debt-to-Income Ratio: Max 50%.

15. Multiple Loans per Property/Borrower: More than one loan per household/property is permitted based on the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all funds derived from this program cannot exceed \$10,000.

16. Eligible Improvements: Most Interior and Exterior Improvements.

17. Ineligible Improvements: Work initiated before the loan has been approved and closed. Recreational items including gazebos, pools, hot tubs, saunas, lawn sprinklers, playground equipment; Furniture and non-permanent appliances; Funds used for working capital, debt management, or to refinance existing loans; personal property items, and repairs to property used for business or trade purposes. Funds cannot be used to rent or purchase equipment needed to complete the project.

18. Sweat Equity/Homeowner Labor: Work can be performed on a "sweat equity" basis. Loan funds cannot be used to compensate for labor, only for materials. The homeowner must demonstrate to the agency in charge of managing the loan that they have the ability to complete the work within



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An Organization of Manufactured Home Park Residents

the program time requirement. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.

19. **Pre-Property Inspection:** None.
20. **Post-Install Inspection:** Prior to the release of the loan proceeds, the property is subject to inspection by the applicable agency's inspector, or when a permit is required, work must be signed on by a City inspector.
21. **Contractors/Permits:** Contractors must be properly licensed to work in the City. Permits must be obtained when required by ordinance.
22. **Bids:** 1 bid is required. Bids must detail the scope of the work to be completed, the associated cost(s), and any rebates.
23. **Work Compensation:** All work must be completed within 120 days of the loan closing. However, when warranted, the agency managing the loan may authorize extensions on a case-by-case basis as warranted.
24. **Underwriting:** Applicants will be evaluated on a first-come, first-served basis and will be offered loan terms that are most favorable based on the applicant's unique situation. In addition to the City's standard underwriting criteria, applicants must:
 1. Not have any payments more than 60-days late in the past 12 months;
 2. No Bankruptcy in the past 18 months (without reasonable explanation);
 3. Be current on all mortgage payments; and
 4. Be current on all real estate taxes.
25. **Disbursement of Funds:** Funds are held by the City's agency managing the loan in a non-interest bearing account and payment is made to the contractor (or owner in sweat equity situations) upon completion of work. The following items (and any additional as determined by the City's agency managing the loan) must be received prior to final disbursements of funds:
 1. Final invoice from contractor (or materials list from supplier);
 2. Final Inspection verification by the City's agency managing the loan;
 3. Completion certificate(s) signed by borrower and contractor;
 4. Lien waiver for entire cost of work; and
 5. Evidence of required city permit, where applicable.