



# All Parks Alliance for Change ■ APAC

*An Organization of Manufactured Home Park Residents*

## **2020 Legislative Agenda:** **Rent Stabilization**

### **Background on Manufactured Housing**

- **What is All Parks Alliance for Change?** – APAC is the statewide organization representing Minnesota’s 180,000 manufactured (mobile) home park residents.
- **Who lives in Manufactured Home Parks?** – The Minnesota Department of Health licenses 915 park communities in 85 counties and 400 cities. We represent one out of every 20 households in the state. We are long-time, self-sufficient home owners with 87% of us owning our homes and over 40% of us living in the same home for 10 years or more.
- **What is the benefit of Manufactured Housing?** – It offers very low housing costs (average lot rent statewide is \$417) and the opportunity for low-income home ownership (on average \$28,900 for existing homes and \$74,200 for new homes). Although 80% of us are low- to very-low income, our housing is unsubsidized and provides more affordable housing than all project-based HUD subsidized housing units.

### **Rent Stabilization in Manufactured Home Park Communities**

- **Background** – Historically, for the cost of renting a one-bedroom apartment, many families have been able to own a two-bedroom apartment. Unfortunately, dramatic increases in park lot rents are becoming more frequent with the consolidation within the industry, which is reducing or eliminating the affordability of parks.
- **Current Law** – Since 1982, Minnesota has limited rent increases by requiring that rent increases be “reasonable,” uniform throughout the park (except under certain conditions), limited to two increases per year, and cannot be based on the number of people residing or staying in the home. Unfortunately, the “reasonable-ness” standard has proven too vague to be useful.
- **Problem** – Manufactured home owners renting a lot in a park are extremely sensitive to rent increases because they are 80% low- to very-low income. They are also a captive market since their homes most often cannot be moved due to age, moving costs (averaging \$6,500 for a single-section home), shortage of available lots, or parks barring homes over 10 years old (71% of homes). A dramatic increase in rent can result in the “economic eviction,” equity stripping, loss of the home, and the possibility of homelessness.
- **Proposed Changes** – Require park owners to provide a five-year rent history to applicants, limit rent increases to once a year, and limit rent increases to the Consumer Price Index (CPI), unless they can be justified by either additional expenses directly related to operating, maintaining or improving the park, or rents charged by other comparable parks. Several states have adopted such policies at either a state (DE, NY, OR, RI) or local level (CA, MD, NJ, NY, OR, etc.).