



All Parks Alliance for Change ■ APAC

An Organization of Manufactured Home Park Residents

2020 Legislative Agenda **Talking Points**

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.

Resident Opportunity to Purchase Manufactured Home Park Communities

- **Background** – Manufactured home park communities provide affordable housing and an opportunity for sustainable home ownership. However, our housing is vulnerable situation since we own our homes, but only rent the land.
- **Current Law** – Minnesota is one of 19 states that encourage or require park owners to sell their communities to the home owners. In Minnesota, if a park is being sold for redevelopment, residents, or an authorized nonprofit, are given 45 days to meet the same terms and conditions as the developer.
- **Problem** – When residents only rent the land, they face a number of risks; not just closure, but needed park improvements not being made, unfair or inconsistently applied park rules, capricious rent increases, and an inability to accumulate equity. The state’s current law (a “right of first refusal”), however, only applies when a park is being sold for redevelopment, and does nothing to address these other problems.
- **Proposed Changes** – Require park owners to provide residents with 60-days advance notice of any intended sale, consider any reasonable offer that has the support of 51% of resident households, negotiate with the residents in good faith, and, if the residents’ offer is rejected, provide written notice within 5 days.

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.).

Alternative for Dispute Resolution between Park Owners and Home Owners

- **Background** – Manufactured home parks present a unique housing situation. One party owns the land and other parties own the homes sitting on that land. The control that home owners expect to have over their home is tempered by the control that a park owner has over the land. As a result, fundamental property rights are put into competition with each other in ways that differ from other tenant/landlord scenarios. Inevitably, a number of disputes arise between home owners and park owners from this arrangement.
- **Current Law** – Many disputes arise from this arrangement and home owners have few options they are able to use. Legal Aid will often accept eviction cases and Conciliation Court provides an option for monetary issues under \$15,000. However, a violation of a home owner’s lease or legal rights requires the time and expense of going to court, which is unrealistic for most home owners.
- **Problem** – In many cases, the only way to resolve a dispute between park owners and home owners is through the court system. Going to court can be confusing and expensive. The court process can take a great deal of time. As a result, many people allow violations of their rights to continue because they do not have the time and money to go to court.
- **Proposed Changes** – Establish a program through the Minnesota Offices of Administrative Hearings that can provide either mediation or a legal ruling on a dispute, other than eviction, as an alternative to pursuing a case in court. Either park owner or home owner can use this system and neither is barred from pursuing additional legal action. Another similar program conducted by the OAH for neighborhood issues in South St. Paul is generally able to resolve issues within 30 days at a cost of only a couple hundred dollars.