

## About the Campaign

Homeowners for Opportunity is a legislative campaign led by residents from both resident-owned and privately-owned manufactured home communities (“mobile home parks”) across Minnesota.

The campaign’s purpose is to advance Opportunity to Purchase legislation, a state policy that would ensure that homeowners in Minnesota’s manufactured home communities are afforded an opportunity to purchase the land beneath their homes when their communities are for sale.

Opportunity to Purchase puts homeowners on a level playing field with other investor-buyers when a community is put up for sale.

## This Campaign is Led by MHC Homeowners from Across Minnesota

Antonia Alvarez, New Brighton

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Trevor Nelson, Lake Elmo

## Supporters & Allies

All Parks Alliance for Change (APAC)

Homes for All Coalition

Homeownership Minnesota (HOM) Coalition

Pueblos de Lucha y Esperanza

# Minnesotans for Opportunity to Purchase

There are 180,000 Minnesotans living in the state’s 900 manufactured (mobile) home communities (MHC). Ninety percent (90%) of Minnesotans who live in an MHC own their home and rent the land their home sits on.

The “halfway homeownership” structure of MHCs makes ownership of a manufactured home unnecessarily risky and unstable for low-income homeowners in our state who face:

- Constant risk of escalating lot rents;
- Health and safety risks due to failing water/sewer systems;
- Increasing risk of displacement when a community is closed for redevelopment.

In most cases, **homeowners in MHCs learn of the sale of their community after the sale to a new investor.** Most land owners don’t consider the homeowners as viable buyers even though homeowners are already heavily invested in the property by virtue of owning a home there.

## Opportunity to Purchase (OTP) Legislation

Opportunity to Purchase legislation ensures that homeowners are provided an opportunity to purchase the land beneath their homes when their communities are for sale. **OTP balances the interests of two sets of owners: the homeowners and the land owners.** The opportunity to purchase:

- Only applies when the land owner has already decided to sell the community;
- Does not force land owners to sell or force homeowners to purchase the community;
- Ensures that land owners receive market price for the community;
- Brings an additional prospective buyer to the table, which enhances the land owner’s ability to sell the community, while providing an opportunity to preserve the property as an affordable housing resource long-term.

## A National Movement

Six states across the country, including most recently in Colorado in 2020, have passed Opportunity to Purchase legislation.

Where OTP has been enacted, the law has resulted in significantly more resident-owned and nonprofit-owned parks.

New Hampshire passed OTP legislation in 1988. Since then, 125 MHCs have been converted to resident-ownership, which brings the share of resident-owned parks to almost 30% of the total MHC market in New Hampshire.

Homes in Resident Owned Communities (ROCs) have been shown to sell faster and for more than homes in comparable investor-owned communities, and homeowners report feeling more secure than their counterparts. (2006, University of New Hampshire)

ROCs have also been shown to operate with below market rents within five years of ownership with average annual lot rent increases of less than one percent compared to 5% under investor ownership.

“Resident-owned manufactured home communities are one of the few sources of unsubsidized naturally occurring affordable housing in the country not subject to market-based rent increases.” (2019, Freddie Mac)

**Every homeowner should get the chance to purchase the land their home sits on.**

# Minnesotans for Opportunity to Purchase

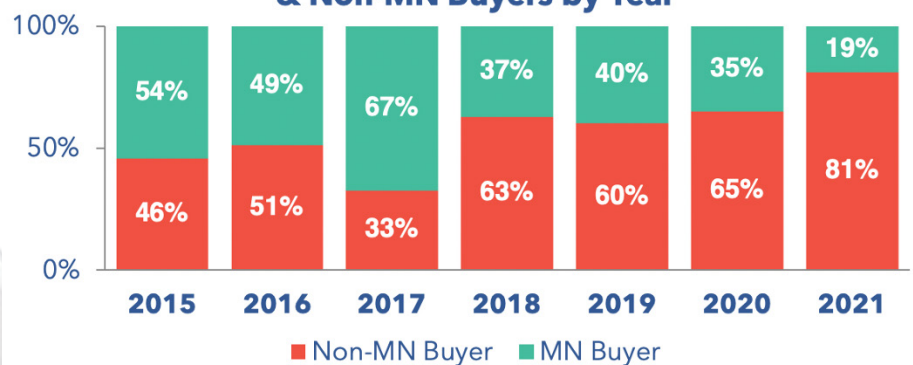
**Opportunity to Purchase helps preserve local control and keep wealth in Minnesota, for Minnesotans.**

What used to be a homegrown affordable housing solution owned by small family businesses **is becoming a profit center for out-of-state investor buyers.**

Of the roughly 45,000 home sites in manufactured home communities in the state, close to one third (13,950) have sold since 2015. Out-of-state buyers purchased over half (8,100) of these home sites.

Trends show that both the number and share of home sites sold to out-of-state buyers have been increasing. In 2021, a record 2,300 home sites were sold to out-of-state buyers, who purchased more than four in five (81%) home sites were sold.

**Share of Manufactured Home Sites Sold to MN & Non-MN Buyers by Year**



Data from MNDOR eCRV transactions, MN Dept of Health & delegated agencies.

**OTP is also an important strategy in preventing MHC closures, which have been on the rise in the state.**

In the last ten years, the state has lost over one thousand manufactured home sites to permanent closures. These closures are most often the result of deferred maintenance to the property's privately-owned water and sewer infrastructure systems.

Opportunity to Purchase can help prevent the loss of MHCs to permanent closures by providing an avenue for residents (or nonprofits/municipal entities) to purchase the property and, in doing so, make the investments necessary to improve the infrastructure.