Minneapolis-St. Paul is a place where manufactured housing plays a small but important role in the affordable housing market and where existing mainstream affordable housing systems are robust. As the region plans for nearly 400,000 new households by 2040, of which 40% will earn less than 80% of area median income\(^1\), we can estimate that both the preservation and construction of affordable housing units will be critical to meeting the housing needs of its lower income residents.

The Metropolitan Council is the Twin Cities’ regional planning agency, created by the Minnesota legislature in 1967 to plan for growth, address issues that could not be sufficiently addressed within existing governmental arrangements and coordinate the delivery of regional systems including affordable housing, regional parks, transportation, water treatment and environmental services.

The Metropolitan Council’s 2040 Housing Policy Plan estimates that the region will need more than 13,000 new housing units per year to address expected new household growth\(^2\). Manufactured housing’s quick construction, low cost, high density and energy efficiency makes it worth adding to the toolkit of local affordable housing developers. At the same time, the preservation of existing affordable housing will be key to the strategy of meeting the Twin Cities’ affordable housing needs. The region’s 85 manufactured home communities—where more than 90% of manufactured homes in the Twin Cities metro are located—presents an opportunity to preserve affordable housing through resident ownership, nonprofit ownership and community land trusts. The Metropolitan Council’s estimates of affordable housing need do not account for the need to replace substandard homes or homes lost to gentrification or demolition. However, given that more than one-third of the manufactured homes in the region were built before 1980, a substantial portion of those homes may require either major repairs or replacement within the next decade. While working with manufactured housing requires some nuanced understandings of policy, housing development and community issues, it also already plays a critical role in serving the affordable housing needs of low- and moderate-income families in the Twin Cities. Leveraging the value of manufactured housing going forward could play a major role in increasing low-income families’ access to affordable housing and opportunity.

For many low- and moderate-income households, manufactured housing is more affordable than other types of housing.

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**Monthly Housing Cost Comparison**

<table>
<thead>
<tr>
<th>Monthly Housing Cost</th>
<th>Manufactured Homeowners</th>
<th>All Homeowners</th>
<th>All Renters</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$250</td>
<td>$500</td>
<td>$750</td>
</tr>
<tr>
<td>$250</td>
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<td>$1,250</td>
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<tr>
<td>$1,500</td>
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</tbody>
</table>

**Note:** This Data Snapshot is designed to assess the role of manufactured housing in local markets and the extent to which manufactured housing contributes to a set of solutions for affordable housing needs in the Twin Cities metropolitan area. The geographic area referred to within the Twin Cities metro area includes 186 cities and townships across the following seven counties in Minnesota that make up the Metropolitan Council’s Planning Area: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

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1 Metropolitan Council, 2040 Housing Policy Plan (Minneapolis: Metropolitan Council, 2014), 2.
2 Metropolitan Council, 2040 Housing Policy Plan, 6.
WHO LIVES IN MANUFACTURED HOMES?

Residents of manufactured homes differ in some key ways from their neighbors in other types of housing. Owners of manufactured homes are less likely to have access to mortgage financing and typically finance their homes with higher-interest personal property loans instead. This means that, even though owners of manufactured homes tend to have a lower housing cost burden than other low- and moderate-income homeowners, they are forced to use financial products with higher fees and fewer protections. Owners of manufactured homes in the Twin Cities metropolitan area are also more likely to be Hispanic, speak Spanish at home, work in low-wage jobs and be single-parents than other homeowners. The educational attainment of owners of manufactured homes falls significantly behind renters and other homeowners: 12% of manufactured homeowners have an Associate's degree or higher; compared to 52% of other homeowners and 35% of renters. Overall, these data show that owners of manufactured homes are vulnerable to the perils of unaffordable housing and highlight the need to expand access to opportunity in the communities where these homes are located.

HOMEOWNERSHIP
Manufactured home residents are more likely to own their homes than residents of other types of housing.

HOME FINANCING
Owners of manufactured homes are less likely to have a mortgage and, presumably, more likely to have a personal property loan. Why does this matter? Personal property loans tend to have higher interest rates, shorter prepayment periods and fewer protections for owners. Plus, homes financed with personal property loans tend to be titled as personal property, like cars, which depreciate. This makes it much harder for homeowners to build wealth through homeownership.

Note: We expect that the American Community Survey (ACS) data at our disposal most likely misrepresents the share of manufactured homes with mortgages. Because the ACS defines mortgages as “all forms of debt where the property is pledged as security for repayment of the debt,” owners of manufactured homes who are asked whether they have a mortgage may respond affirmatively knowing that they are repaying a loan of some sort, even if that may be a personal property loan. As a result we expect that the ACS estimate for the share of manufactured home owners with a mortgage is inaccurate, so it has been omitted here.

MEDIAN HOUSEHOLD INCOME
Manufactured Homeowners $37,794
All Homeowners $83,454
All Renters $32,581

EDUCATION
By 2019, an estimated one in three jobs in the Twin Cities will require a post-secondary education. Today, owners of manufactured homes are much less likely to have completed high school or post-secondary education compared to other homeowners and renters.

JOBS
Owners of manufactured homes often work in industries that typically feature lower-wage jobs.
OWNERS OF MANUFACTURED HOMES

SNAP BENEFITS
Owners of manufactured homes are seven times more likely to receive SNAP benefits compared to other homeowners.

HOUSEHOLD COMPOSITION
Families in manufactured homes are more likely to be headed by single parents compared to other homeowners and renters.

ETHNICITY
Owners of manufactured homes are more likely to be Hispanic or Latino and less likely to be Black or African American than residents of any other housing type.

CITIZENSHIP
Compared to other homeowners, a larger share of those who live in manufactured homes immigrated to the United States.

LANGUAGE
Residents of manufactured homes are more likely to speak Spanish compared to all other types of housing.

ALL RENTERS

Note: The income and demographic data presented on pages 2 and 3 come from the 2013 American Community Survey 5-Year Estimates.
WHERE ARE MOST MANUFACTURED HOMES LOCATED?

13,660 of the manufactured homes in the Twin Cities metro area are located in 85 manufactured home communities.

IN WHAT CONDITION ARE MOST MANUFACTURED HOMES?

More than one-third of manufactured homes in the Twin Cities were built before 1980. Why does this matter? Before HUD began regulating the construction of these homes in 1976, there were no consistent building standards for manufactured homes, so older units are more likely to be in need of repair or replacement.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Built Before 1959</th>
<th>Built 1960 to 1979</th>
<th>Built 1980 to 1999</th>
<th>Built 2000 or Later</th>
</tr>
</thead>
<tbody>
<tr>
<td>2%</td>
<td>35%</td>
<td>48%</td>
<td>17%</td>
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</tr>
</tbody>
</table>

Innovations in Manufactured Homes (I’M HOME) is a national initiative managed by CFED which seeks to ensure that owners of manufactured homes have the opportunity to build wealth through homeownership by improving the quality of new and replacement development, enhancing homeowners’ ability to enjoy long-term land security, expanding access to safe home financing and encouraging a supportive policy environment.