MANUFACTURED HOME COMMUNITIES IN TWIN CITIES, MN

STATE, LOCAL AND MUNICIPAL MANUFACTURED HOUSING POLICY
Overall, Minnesota has a strong policy infrastructure around protections for homeowners living in manufactured home communities. However, there is plenty of room for improvement in policies that govern how manufactured homes are titled, the opportunity for residents to purchase their communities and licensure of nonprofit organizations to sell manufactured homes.

Minnesota advocates are pursuing a comprehensive long- and short-term policy agenda, including improvements in the state’s purchase opportunity law, a better dispute resolution program for manufactured home community residents and greater access to public resources and consumer protections. They have also been active at the local level in zoning and development battles. Minnesota has a long commitment to cooperatives, and advocates are seeking opportunities to help residents purchase their communities despite the state’s weak purchase opportunity law.

Note: The geographic area within which local and municipal policies were assessed includes 186 municipalities across the following seven Minnesota counties that make up the Metropolitan Council’s Planning Area: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

LAWS PROTECTING HOMEOWNERS IN MANUFACTURED HOME COMMUNITIES

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<th>KEY</th>
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<td>Affirmative protections for fundamental freedoms</td>
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<td>Protection against retaliation</td>
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<td>Relocation expenses</td>
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<td>Administrative complaint procedure</td>
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<td>Requires lease of at least one year</td>
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<td>Requires community owner to maintain the community</td>
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<td>Gives residents right to enforce the laws</td>
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AFFIRMATIVE PROTECTIONS FOR FUNDAMENTAL FREEDOMS
Almost half of states, including Minnesota, affirmatively guarantee fundamental freedoms—such as the right to canvas their neighbors, hold meetings, distribute flyers and invite public officials and candidates to speak—to residents of manufactured home communities.

PROTECTION AGAINST RETALIATION
Even if they do not provide affirmative protections for fundamental freedoms, most states at least prohibit community owners from retaliating against residents for exercising these rights. Minnesota broadly prohibits retaliation for complaining to the community owner or a government official or attempting in good faith to exercise any state or federal rights.

NOTICE BEFORE COMMUNITY CLOSURE
About half of states require a substantial notice period of one year or more before a manufactured home community closes. Minnesota requires only a 9-month notice requirement which is shorter than about half the states that require notice periods.
**PURCHASE OPPORTUNITY**
Minnesota is one of eighteen states with a policy that requires or encourages community owners to give residents the opportunity to purchase the land on which their homes sit. However, Minnesota’s law is extremely weak because it applies only when a potential buyer intends to close the community within a year of the sale. Minnesota also requires the community owner to notify residents upon advertising or listing the community for sale, but does not require any waiting period to give residents the opportunity to make an offer.

**PROTECTION AGAINST ARBITRARY EVICTION**
Some states protect homeowners in manufactured home communities from eviction or nonrenewal of their leases unless they have done something wrong, such as failing to pay lot rent or violating a rule. Minnesota’s law provides this critical protection. However, its definition of “cause” is somewhat loose and subjective.

**RIGHT TO SELL HOME IN PLACE**
Manufactured home community owners can effectively prevent homeowners from selling their homes by reserving the right to reject any potential buyer as a resident. Many states—including Minnesota—prohibit arbitrary rejection of a buyer’s application for residency.

**RELOCATION EXPENSES**
Minnesota is one of about 15 states that have programs to cover the costs of moving the homes in a manufactured home community when the community closes.

**ADMINISTRATIVE COMPLAINT PROCEDURE**
Some states offer a simple administrative procedure for resolving residents’ complaints about their manufactured home community. Minnesota does not offer this service.

**REQUIREMENT OF LEASE OF AT LEAST ONE YEAR**
About twenty states—but not Minnesota—require the owner of a manufactured home community to offer homeowners leases of at least one year. This requirement provides a modicum of security of tenure. While Minnesota does not require one-year leases, the state’s fairly strong protection against eviction without cause also provides some degree of security of tenure.

**REQUIREMENT THAT COMMUNITY OWNER MAINTAINS THE COMMUNITY**
Many states specifically require manufactured home community owners to maintain common areas, utility service and other services so that they are clean, safe and in good working order. Minnesota’s general landlord-tenant law mostly covers these responsibilities. However, the state’s only such law specific to manufactured home communities merely requires that communities be “well drained.”

**RESIDENT ABILITY TO ENFORCE LAWS**
A right without a remedy is unlikely to be effective. Recognizing this, many states specifically provide that residents have the right to enforce the manufactured home community protections. Minnesota’s protections are enforceable through its consumer protection law, but that law is relatively weak.

**RIGHT TO TREAT MANUFACTURED HOMES AS REAL PROPERTY**

The way in which a state governs the titling of manufactured homes, especially when homes may be converted from personal property to real property, has major implications for owners and purchasers. Although a modern manufactured home may be indistinguishable from a site-built home to many observers, it is typically considered personal property, like a car or a television set, rather than real property.
property, absent some sort of conversion to real property. This classification as personal property often keeps homeowners from enjoying the same security and potential for wealth creation enjoyed by owners of site-built homes.

In Minnesota, as in most states, ownership of homes that are personal property is evidenced by a certificate of title. Minnesota does offer a procedure for converting manufactured homes from personal to real property; if a home is secured to a permanent foundation on land that is owned by the homeowner and is financed by a mortgage, the homeowner may surrender the certificate of title and classify the home as real property. Allowing conversion of the home only when there is a mortgage on the land creates problems for homeowners who own the land free and clear, and also creates timing complications, since most mortgage lenders will not provide financing for manufactured homes unless they are already titled as real property. Further, manufactured homes cannot be treated as real property if they are located in land-lease communities. As a result, homeowners in manufactured home communities are relegated to high-cost chattel financing rather than regular mortgage loans.

**STATE POLICIES AND PROGRAMS THAT AFFECT NONPROFIT MANUFACTURED HOUSING DEVELOPMENT AND PRESERVATION**

**LICENSING ISSUES FOR NONPROFIT HOUSING DEVELOPERS**
Minnesota statutes and regulations create a significant obstacle to licensure as a manufactured home dealer. They require an individual to have two years of dealership experience, but without a license it is illegal to act as a dealer as a way of obtaining that experience.

**STATE WEATHERIZATION PROGRAMS AND OTHER MANUFACTURED HOUSING PROGRAMS**
The Minnesota state weatherization assistance program serves families living in manufactured housing under the same processes and rules as any other household. There are no programs targeted specifically to manufactured homes. The Twin Cities area is served by two major gas and electric utilities, Xcel Energy and Centerpoint, as well as a number of small co-ops. The major utilities have their own weatherization programs, which neither exclude manufactured homes nor are specifically tailored to manufactured homes.

**STATE HOUSING FINANCE AUTHORITIES**
The Minnesota Housing Finance Agency provides the main source of public funding for the purchase or repair of manufactured homes, and the agency specifically designates funds for repair of homes in communities. In addition, Minnesota Housing has worked closely with organizations such as the Northcountry Cooperative Foundation (a ROC USA® Certified Technical Assistance Provider) to provide long-term, fixed-rate, low-interest financing to facilitate residents’ purchase of manufactured home communities.

**LOCAL AND MUNICIPAL MANUFACTURED HOUSING POLICY**

**LOCAL ZONING AND FEE SIMPLE MANUFACTURED HOMES**
Minnesota prohibits local jurisdictions from excluding manufactured homes, as long as they are built in conformance with the relevant code (the HUD Code, or, if built before 1976, the standards that preceded the HUD Code) and comply with all other zoning ordinances.

**LOCAL ZONING AND PRESERVING MANUFACTURED HOME COMMUNITIES**
Minnesota requires manufactured home communities to be allowed as a conditional use in multi-family zoning districts. This requirement provides some protection against exclusion of manufactured home communities, but allowing only a conditional use means that the community must seek and obtain special permission from the zoning authority.

**MORATORIUMS ON CLOSURE OR REDEVELOPMENT OF MANUFACTURED HOUSING COMMUNITIES**
Minnesota law includes a relatively broad authorization for a municipality to place a moratorium of up to two years on development. The law has the potential to stop redevelopment of manufactured home communities temporarily while the municipality adopts other ordinances or plans to address the loss of affordable housing in the jurisdiction.

**LOCAL TAX & OTHER FINANCIAL INCENTIVES FOR PRESERVING COMMUNITIES**
Local jurisdictions in Minnesota have not adopted tax or other financial incentives for preserving manufactured home communities. However, at least one local jurisdiction has adopted a purchase opportunity ordinance that is stronger than the state law, and advocates have been active at the local level to preserve specific communities and pass relocation ordinances.
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.

LOCAL RENT CONTROL
Local jurisdictions in Minnesota have not adopted rent control or rent justification for manufactured home communities. A state law requires rent increases to be reasonable, but there is no established standard for what constitutes a ‘reasonable’ increase.

MANUFACTURED HOUSING INCLUSION IN CONSOLIDATED PLANNING, MUNICIPAL PLANNING AND COMPREHENSIVE PLANNING
The Metropolitan Council is the regional planning agency serving the Twin Cities seven-county metropolitan area and provides essential services to the region. Communities in the region are required by the Metropolitan Land Planning Act (MLPA) to submit an updated comprehensive plan to the Metropolitan Council for review every 10 years. As required by the MLPA, comprehensive plans need to include a housing element. The housing element needs to acknowledge the community’s share of the region’s affordable housing need and include implementation tools and programs the community will use to promote opportunities to address its share of the region’s housing need.

In 2015, the Council moved to a new approach to calculate communities’ Housing Performance Scores. For the first time, preservation of manufactured home communities will be a specific criterion used to calculate the score. This change should add incentives to support these manufactured home communities.

Advocates have pushed local jurisdictions to exercise their discretion to address manufactured homes or manufactured home communities in their comprehensive plans, but state law does not require the plans to address these topics.

Note: The content in this Policy Snapshot was collected by the National Consumer Law Center and CFED.

THE METROPOLITAN COUNCIL
The Metropolitan Council is the Twin Cities' regional planning agency that was created by the Minnesota legislature in 1967 to plan for growth, address issues that could not be sufficiently addressed with existing governmental arrangements and coordinate the delivery of regional systems including affordable housing, regional parks, transportation, water treatment and environmental services. The Council's activities intersect with manufactured housing in three important ways:

- Establishing parameters for regional infrastructure and local planning and supporting the communities and people responsible for planning.
- Surveying manufactured home community owners to track the number of pads, manufactured homes and estimates of manufactured home community residents. The Council also asks cities and townships to report on the total number of manufactured housing units located on fee-simple land.
- Providing funding to support strategies that develop and preserve affordable housing throughout the counties and cities that make up the Twin Cities metro area. Funding priority is given to communities and community projects that “increase the variety of housing types and costs, appropriately mix land uses, increase transportation choices and leverage private investment.” The volume of manufactured housing is included in their scoring model as a component of affordability and housing type diversification.

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