



## **2021 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 in a 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 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 rules, capricious rent increases, and an inability to accumulate equity. The state’s current law (a “right of first refusal”) only applies to parks being sold for redevelopment, and does not address these other problems.
- **Proposed Changes** – Require park owners to provide residents with 60-days’ notice of an intended sale, consider an offer with 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 manufactured home. Unfortunately, dramatic increases in park lot rents are becoming more frequent as national chains and private equity firms acquire more of the communities.
- **Current Law** – Since 1982, Minnesota has limited rent increases by requiring increases be “reasonable,” uniform throughout the park (with certain exceptions), limited to two times per year, and not based on the number of people residing or staying in the home.
- **Problem** – Manufactured home owners are a captive market since their homes often cannot be moved due to age, moving costs (\$7,000+ for single-section homes), few available lots, and parks barring homes over 10 years old (71% of homes). The “reasonable-ness” standard has proven too vague to be enforceable, and large rent increases are resulting in evictions, loss of homes, and, in some cases, homelessness.
- **Proposed Changes** – Require parks 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 justified by either the costs to operate, maintain or improve the park, or rents at comparable parks. Similar policies have been adopted by other states (DE, NY, OR, RI) and local governments (CA, MD, NJ, NY, OR, etc.).

## **Alternative for Resolving Disputes 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. As a result, fundamental property rights are put into conflict with each other in ways that differ significantly from other tenant/landlord relationships.
- **Current Law** – Although there are resources available to help residents resolve some disputes (Legal Aid can help with evictions and Conciliation Court can address some monetary issues), a violation of a home owner’s lease or legal rights requires an attorney, which is an unrealistic expense for most home owners.
- **Problem** – In many cases, the only way to resolve a dispute between park owners and home owners is by going to court, which may be too expensive for most residents. As a result, many people allow violations of their rights to continue, which may encourage the continuing abuse of residents’ rights.
- **Proposed Changes** – Establish a program through the Minnesota Office of Administrative Hearings to provide either mediation or a legal hearing for disputes (other than eviction) as an alternative to court. Allow either park owners or home owners to use this system without barring additional legal action. South St. Paul uses a similar approach for neighborhood issues and generally resolves issues within 30 days.

## **Utility Consumer Protections for both Park Owners and Home Owners**

- **Background** – Manufactured home parks own not only the land, but often the infrastructure for utility services, such as water and sewer. Parks often provide these utilities as a pass through service and include the cost in the lot rent, although many parks plan to switch to metering and separately charging.
- **Current Law** – In 2002, state courts found parks cannot unilaterally change leases to install sub-meters and separately charge for water and sewer. In addition, state law prevents parks from directly or indirectly charging residents a higher rate than is charged to other single family dwellings in the same area.
- **Problem** – Minnesota utilities provide a number of consumer protections. However, for pass-through services, only the park is considered the customer and receives these protections. The park does not have the same requirements to address the accuracy, accessibility, or proper installation of meters. In addition, no one reviews the rates set by parks to ensure they are not charging an excessive amount.
- **Proposed Changes** – Establish standards and guidelines for the installation and accuracy of meters and the appropriate billing for utilities and other administrative fees that ensure home owners have similar consumer protections to those already being provided to the park owners and home owners.