As I reflect on my first full year as NCF’s Executive Director, I’m delighted by the amount of good work our team accomplished.

In 2021, NCF helped the residents of Woodlawn Terrace (Richfield, MN) form a cooperative and purchase their 53-unit community, secured $3 million in grant funding for improvement projects in our existing client co-ops, and advocated at the Minnesota Legislature for a historic appropriation of funding to advance manufactured home community preservation.

Our impact in 2021 speaks volumes not only about the commitment and capacity of our team, but most importantly, about the power of the people we do this work in partnership with: the dedicated cooperative board and community members we work alongside every day.

This is an exciting time at NCF. In addition to the organization’s Midwest ROC (Resident-Owned Communities) program, which converts manufactured home communities to co-op ownership, NCF has begun supporting the development of multifamily (apartment) co-ops.

Our team has learned much over the last two decades growing the Midwest ROC program. We’re energized by the opportunity to leverage our expertise to generate cooperative solutions with tenants of multifamily buildings.

NCF also made progress this year in growing our lending program. We partnered with consultants who helped design new loan products, created a capitalization plan, and developed the lending acumen of both board and staff members.

Access to capital is the primary barrier to creating and sustaining cooperative housing. We look forward to better serving existing and future co-ops with our expanded lending capacity in the years to come.

Cooperative development is essential work as we fight to preserve affordable housing, create good jobs, and build wealth for people with low incomes. Thank you for your support!

In Cooperation,

Victoria (Tory) Clark
Executive Director
Northcountry Cooperative Foundation helps communities take control of their futures through cooperative ownership. We specialize in the development and support of affordable housing cooperatives, providing low-income residents with technical expertise and organizational support needed to create successful cooperatives and sustain them in the long-term.

**About NCF**

**Development**
We help co-ops assess project feasibility, secure financing, and develop strong organizational and management structures.

**Technical Assistance**
We help ensure cooperatives thrive by providing tailored technical assistance, training, continuing education, and peer to peer engagement opportunities.

**Advocacy**
We work with co-op leaders to advocate for legislation that advances cooperative ownership.

**Lending**
We provide customized financial tools to help cooperatives and their members improve their homes and communities.
## Impact 2021

### Co-op Development

| **53** | Helped convert an additional 53 manufactured home units to cooperative, resident ownership. |
| **$2.8M** | Secured $2.8 million in financing for cooperative purchase projects. |
| | Helped the residents of three multifamily buildings assess the viability of forming a co-op. |

### Technical Assistance

| **$3M** | NCF secured $3 million in grant funding for improvement projects in partner co-ops. |
| | Hosted the 5th annual co-op education and capacity building conference, Common Ground. |
| **2,350** | Staff delivered 2,350 hours of technical assistance to co-ops. |

### Advocacy

| **$20M** | Over $20 million in funding was allocated to manufactured home community preservation by the Minnesota Legislature. |
| | Minnesota passed legislation that allows manufactured homes in co-ops to be titled as real property. |
| | Minnesota Housing’s Rehab Loan Program expanded, can now be used toward replacement of older, mobile homes. |

### Lending

| | 8 manufactured home “Contract for Title” program borrowers paid off their contracts in full. |
| | Designed three new loan products geared to serve the unique capital needs of housing co-ops. |
| | Developed a 5-year capitalization plan to inform growth of the loan fund. |
The percentage of households of color in NCF-supported cooperatives: 2.5%

The average annual carrying cost ("rent") increase in NCF-supported manufactured home co-ops. The market rent increase average is 5% annually.

The number of manufactured home co-ops have invested in community improvements in the last five years.

The percentage of NCF-supported co-op households with incomes at or below 50% Area Median Income: 67%

Age demographics of NCF-supported co-ops:
- 17 years or younger: 30%
- 18 - 55 years old: 40%
- 55+ years old: 30%

The percentage of households of color in NCF-supported cooperatives: 42%

The amount of financing secured for manufactured home co-op purchases: $33M

The amount NCF client co-ops have invested in community improvements in the last five years: $4.2M

The number of manufactured home units transferred to resident-ownership since NCF’s first project in 2004: 1,100

The number of manufactured home communities converted to resident-ownership since NCF’s first conversion in 2004: 13

The average annual carrying cost ("rent") increase in NCF-supported manufactured home co-ops. The market rent increase average is 5% annually.

The number of manufactured home communities converted to resident-ownership since NCF’s first conversion in 2004. 13
Sungold Heights (Worthington, MN) completed a $2.6 million infrastructure project in the fall.

The project replaced the property's aging water and sewer systems and reconstructed the roads throughout the community.

The project was funded primarily by grants from Minnesota Housing and a loan from Southwest Initiative Foundation. NCF acted as the owner’s representative throughout the project, liaising between the co-op, engineers, contractors, and project funders.

Shortly before the project began, garbage haulers had stopped driving through the community to pick up waste and recycling due to the depth and frequency of potholes.

Sungold Heights is home to over 100 families. Seventy-five percent (75%) of the Sungold population makes 50% Area Median Income (AMI) or below. About 80% of Sungold residents identify as Latino and 20% as Asian (mostly Karen-speaking households).

With the infrastructure project complete, Sungold is looking forward to bringing new homes into the community and identifying resources for existing homeowners to rehab their homes.

“We waited a long time, and it feels great to finally be able to make improvements...We all wish for our homes to look nice and this is the start for that wish to come true.”

—Mario Cornéjo, Sungold Heights Board President
The residents of Woodlawn Terrace Cooperative became Minnesota’s tenth resident-owned manufactured home community on December 30, 2021.

Woodlawn is referred to as a “hidden gem” by its residents, over half of which have lived in the community for twenty or more years.

The property is located right in the heart of Richfield, a bustling first-ring suburb of Minneapolis.

The project was financed through a predevelopment loan from ROC USA Capital and $2.8 million in acquisition financing from Minnesota Housing.

The Minnesota Housing loan is part of a new suite of loan products the Agency rolled out in June 2021 designed to provide competitive financing for owners and purchasers of manufactured home communities.

After purchasing the community, the Co-op plans to transition from a private well to municipal water service, line the mains of the sanitary sewer system, and rehab the single-family home and two site-built rental units on the property.

In addition to their infrastructure project, Woodlawn will bring in 21 new manufactured homes over a three-year period. The property was about 50% occupied at the time the Co-op purchased. Woodlawn is partnering with a local manufactured home dealer who will source, install, and sell the new homes.

About a month after purchasing their community, the Co-op learned that they were awarded a $1.1 million grant from Minnesota Housing’s Redevelopment Program to complete the municipal water connection and sewer re-lining project.

“The team at NCF has been so responsive throughout the sale process. Staff bring a breadth of experience that is invaluable. The methodology they use to coach residents through the sale experience makes the whole process easy to understand.”

—Bev Adrian, Woodlawn Terrace Cooperative Board President
Financials
2021

Revenues

Overall revenues were $785,000 with an additional $100,000 in restricted contributions for FY 2022. These were very positive revenue results being higher than budgeted and NCF’s highest in three years. Government grant income was higher in 2021 due to Paycheck Protection Program income. Earned income was the highest since 2017.

NCF prudently adjusted its revenue budget due to pandemic uncertainties; however, NCF’s supporters continued endorsing the organization through this period.

Expenses

Total expenses were $666,538, of which $490,798 related directly to our program activities in co-op development and support. NCF reports its overhead ratio based on a five-year average in recognition that this metric can vary year over year with periodic investments in such non-program areas as fundraising initiatives and technology.

NCF prudently adjusted its expense budget due to pandemic uncertainties. NCF’s cost containment measures during the year were equally beneficial.
## Financials

### 2021

**Condensed Audited Financial Information**

For the 12 month period ending December 31, 2021 ($ in 000s)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation and Corporate</td>
<td>$ 181,415</td>
<td>$ 268,838</td>
</tr>
<tr>
<td>Earned Income (co-op support contracts &amp; fee for service)</td>
<td>$ 248,589</td>
<td>$ 124,154</td>
</tr>
<tr>
<td>Government</td>
<td>$ 355,270</td>
<td>$ 77,698</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$ 785,274</td>
<td>$ 470,690</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>$ 490,798</td>
<td>$ 389,526</td>
</tr>
<tr>
<td>Administration</td>
<td>$ 155,919</td>
<td>$ 117,013</td>
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<tr>
<td>Fundraising</td>
<td>$ 19,821</td>
<td>$ 19,651</td>
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<td><strong>Total Expenses</strong></td>
<td>$ 666,538</td>
<td>$ 526,190</td>
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<tr>
<td><strong>Net Income</strong></td>
<td>$ 118,736</td>
<td>$ (55,500)</td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Net Assets</td>
<td>$ 101,559</td>
<td>$ 157,059</td>
</tr>
<tr>
<td>Ending Net Assets</td>
<td>$ 220,398</td>
<td>$ 101,559</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$ 118,736</td>
<td>$ (55,500)</td>
</tr>
</tbody>
</table>
NCF
Board & Staff

Board

Sarah Berke, Chair
Family Housing Fund

Bobbie Grubb, Vice Chair
Festival Foods

Ryan Allen, Secretary
University of Minnesota
Humphrey School of Public Affairs

Pat Streeter, Treasurer
Park Plaza Cooperative

Brian Dahlk
Wegner CPAs

Jim Erchul
Dayton’s Bluff Neighborhood Housing Service

Diane Schobert
Retired, Wisconsin Housing & Economic
Development Authority

Mar Valdecantos
Rice County Neighbors United

Staff

Victoria (Tory) Clark
Executive Director

Julie Martinez
Cooperative Housing Manager

Emily Stewart
Lending & Cooperative Development Manager

Tom Guettler
Housing Program Associate

Soren Stevenson
Real Estate Development Officer

Samuel Estes
Housing Program Associate
Manufactured home communities (MHCs) are the largest source of naturally-occurring affordable housing in the United States. There are 2,600 MHCs in NCF’s three-state service area, which house an estimated 540,000 people. *Competition in the MHC market has dramatically increased in recent years due to the growing interest of private equity firms and speculative real estate investors.*

### Minnesota Sale Trends

- One in three of all Minnesota’s MHC sites (13,948 of 44,900) have transferred ownership since 2015.
- More than three in five (62%) of home sites sold in Minnesota since 2015 have gone to out-of-state buyers.
- In 2021, a record 2,336 home sites were sold to out-of-state buyers.

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-MN Buyer</th>
<th>MN Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>2016</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>2017</td>
<td>44%</td>
<td>56%</td>
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<tr>
<td>2018</td>
<td>63%</td>
<td>37%</td>
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<td>2019</td>
<td>65%</td>
<td>35%</td>
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<tr>
<td>2020</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>2021</td>
<td>82%</td>
<td>18%</td>
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