

# NCF

Northcountry Cooperative Foundation



# Annual Report

*Transforming lives and communities  
through cooperative enterprise*

# 2023



# A Message from NCF



Victoria (Tory) Clark-West  
*Executive Director*

Dear NCF Supporters,

Looking back at 2023, it's been a year of remarkable growth and achievement for NCF. We've expanded our team with three new positions and are excited to announce the hiring for three more in early 2024.

In the face of an increasingly unaffordable housing market, we've met the challenge head-on, preserving stable, affordable, and dignified homeownership for over a thousand low-income households. This journey has been possible thanks to the unwavering support of a diverse and passionate group of supporters, ranging from legislators to individuals to foundations.

Our task is complex and multifaceted. To truly empower the cooperatives we partner with, we must work across sectors and organizations to create an enabling environment that reverses historical disinvestment and equips residents with the tools they need to thrive as cooperative owners. We made great strides toward this enabling environment this year.

The 2023 legislative session was a milestone for NCF. With the dedication of resident leaders, we secured two \$10 million appropriations. The first appropriation named NCF directly and is designed to help co-ops finance community purchases. The other appropriation establishes a single-family financing program for manufactured

homes placed in cooperatives—a vital addition considering the historic gaps in competitive home financing options, particularly for new manufactured homes.

Responding to resident needs, NCF launched the Cooperative Loan Fund (CLF), our new lending arm. CLF's inaugural loan to Emerald Pines Cooperative in Alexandria, MN, marks a significant step in enabling more cooperative purchases through tailored financing tools.

Another historic legislative win was the appropriation of \$21.5 million into an infrastructure grant program specifically for manufactured home communities. NCF partner cooperatives won \$10.7 million of this funding to support infrastructure projects in six co-ops.

These achievements signify a pivotal moment for NCF—a testament to our collective commitment and the transformative power of cooperative ownership. Together, we're creating a future where residents have all the tools they need to shape vibrant and resilient communities.

Thank you for your support and dedication to our mission. Here's to a more cooperative future!

In Cooperation,

A handwritten signature in black ink, appearing to read "Victoria West". The signature is stylized and fluid, with a long horizontal line extending from the top of the first letter.

# About NCF

*Northcountry Cooperative Foundation helps low-income and historically marginalized communities in Minnesota, Wisconsin, and Iowa 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.*



## **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 2023



Helped **convert 73 units** of manufactured housing to resident ownership.



Secured **\$10.7 million in grant funding** for co-op infrastructure and community facilities projects.



Received a **Bush Innovation grant**, NCF's largest ever philanthropic award.



Successfully advocated for **\$35 million in legislative funding** for manufactured homebuyers and cooperatives.



**Originated our first loan** from the Cooperative Loan Fund for \$575,000 to Emerald Pines Co-op.



**Secured \$2.3 million** in project financing for two new cooperatives.



Hosted the 7<sup>th</sup> annual **co-op leadership and education conference**, Common Ground.



Secured the Charities Review Council **Meets Standards Seal**.



Added **three new full-time** staff positions, increasing our overall staff by 46%.

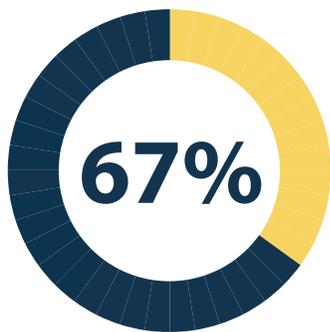


Delivered **2,958 hours** of technical assistance and training to co-ops leaders.

# Impact NCF

**\$35.8M**

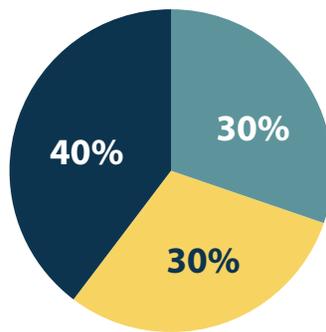
Financing secured for manufactured home co-op purchases since 2004.



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

**\$20.6M**

Amount invested in property improvements by NCF partner co-ops in the last five years.

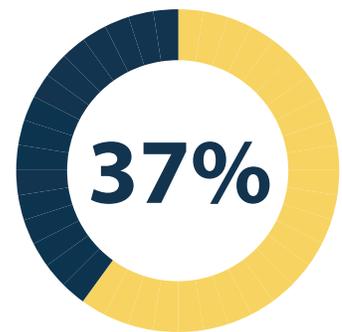


Age demographics of NCF-supported co-ops:

- 17 years or younger
- 18 - 55 years old
- 55+ years old

**\$41.5M**

Estimated value of real estate assets in community control as a result of co-op purchases.



The percentage of households of color in NCF partner cooperatives.

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

**0.87%**

The number of manufactured home units preserved through co-op ownership since NCF's first project in 2004.

**1,151**

# Emerald Pines becomes Upper Midwest's 15th resident-owned manufactured housing cooperative

In December, the homeowners of Viking City Mobile Home Park purchased their 42-site manufactured home community in Alexandria, Minnesota. The homeowners renamed their community Emerald Pines Cooperative, and became the 15th manufactured housing cooperative in NCF's network across Minnesota and Wisconsin.

The sale of the park to the homeowners returns the community to local control and runs counter to a national trend of out-of-state buyers purchasing manufactured home communities. In 2023, 78% of all manufactured home sites sold in Minnesota were purchased by out-of-state investors.

"For years, many of the decisions made in our community were out of our control. Through cooperative ownership, we can finally begin to make decisions as homeowners that better not just our neighborhood, but our greater Alexandria community. We're excited to begin this journey and chart a new path forward," Dorian Warner, Emerald Pines Board President said.

The resident purchase of the community represents a multi-faceted partnership among public, private, and nonprofit entities.

The Minnesota Housing Fi-



*The newly elected board members of Emerald Pines Cooperative proudly display the new name of their community in Alexandria, MN. (Left to right: Brandon Dziubak - Operations, Melissa Quinn - Secretary, Christina Tvrdik - Treasurer, and Dorian Warner - President.)*

nance Agency issued the primary mortgage financing for the purchase of the community.

Emerald Pines received an over \$1 million grant from the Minnesota Legislature-funded Manufactured Home Community Redevelopment Program (MHCR) to make needed infrastructure improvements.

In addition to the financing provided by Minnesota Housing, NCF issued its first loan from the newly-created Cooperative Loan Fund (CLF) to provide additional financing to make the purchase a reality.

CLF will be an extremely valuable tool for resident purchases moving forward, as it provides

access to flexible capital for cooperatives to use when purchasing their communities.

In 2023, the Minnesota Legislature made a \$10 million direct appropriation to NCF to create a revolving loan fund for the resident purchase of manufactured home parks. This funding will be housed at CLF and will be used for future cooperative conversions in Minnesota.

The City of Alexandria and the Alexandria Housing and Redevelopment Authority (HRA) were strong supporters of the co-op purchase. The HRA will be providing property management services to the co-op.

# Building bridges, sharing stories: Common Ground Conference 2023

Every year NCF hosts a leadership and learning event for the cooperative leaders in our network called the Common Ground Conference. The theme for this year's conference was *Telling Our Stories*.

The conference was held in a hybrid format. Sessions were hosted virtually over three weeknights and the event culminated with an in-person event at Zumbro Ridge Estates in Rochester, Minnesota.

Conference sessions included: *Marketing 101, Contractors, Vendors & You, and Making Connections: Advocating for Resources*.

Zumbro Ridge Estates (ZRE) hosted Friday night's social gathering, drawing cooperative leaders from six communities in NCF's network. Attendees were invited to tour ZRE and learn about the co-op's significant infrastructure projects.

Since ZRE became a cooperative in 2016, the community has decommissioned their sanitary sewer treatment plant, connected to municipal sanitary sewer service, and completed a multi-year project to fill vacant lots with new homes.

Seeing the success of ZRE's endeavors firsthand provided inspiration to co-op leaders facing similar challenges.

ZRE Board members shared their experiences, highlighting



*Common Ground participants work through an exercise during an activity led by HUGE Improv Theatre.*

community initiatives such as the creation of a food pantry in their community center which is run by a team of resident volunteers.

On Saturday morning teaching artists Jill Bernard and John Gebretatose of HUGE Improv Theater led the bilingual group through activities aimed at reducing barriers and learning new communication skills. The impact of the session was evident during lunch, where animated conversations flourished, setting the stage for the next session.

In the afternoon NCF staff Kathleen Richert and Michelle Dobbratz guided participants through the grant writing process, explaining key elements of grant applications and offering insights into the grantor's perspective.

To encourage practical application of the knowledge, NCF offered a \$5,000 project grant to workshop participants. Participants had the opportunity to share their project ideas with the whole group and receive feedback to help strengthen their proposals.

"I'm so glad you made us actually write an application," one participant shared. "It is one thing to have someone explain how it's supposed to work, but it's different to actually do it. I probably wouldn't have tried it if you didn't make us do it!"

"You know, I've never come to these [events] because I didn't think I'd get much out of it, but this was GREAT," one first-time attendee said.

# Minnesota co-ops secure \$10.7 million in state grants for critical improvement projects

Thanks to a historic appropriation administered by Minnesota Housing, six NCF-supported cooperatives will be getting major investments. NCF partner resident-owned communities (ROCs) secured \$10.7 million out of a \$21.5 million appropriation, benefitting 384 home sites across six communities. The Manufactured Home Community Redevelopment (MHCR) program awarded full funding to all existing NCF-supported communities that applied, a first in the program's history. Water line improvements, sewer rehabilitation, and road repair were requested by every community. In these cooperatives, summer road construction will be a cause for celebration.

Each application was tailored to the resident-identified needs of the communities. Some unique requests included stormwater sewers, a fence, and a new roof for a laundromat that serves as a storm shelter. Zumbro Ridge Cooperative replaced a number of roads after their recent sewer project, which are in imminent danger of erosion due to lack of a stormwater system. A new stormwater system will protect their recent investment and prevent standing water from posing a health concern to residents. At Park Plaza Cooperative, President Natividad Seefeld has long want-



*Madelia Mobile Village Cooperative members and project partners break ground on the Cooperative's storm shelter project on September 27, 2023.*

ed to replace the failing fence to keep children from wandering onto the adjacent highway when walking between the two sections of the community.

"[The project] is really going to make a big difference in how our community looks and feels," Natividad said.

Despite the unique aspects to each proposal, there were many common threads. Five communities received funding to prepare vacant lots for new homes. Bringing new homes into a cooperative

*Continued on page 9*

*"[The project is] really going to make a big difference in how our community looks and feels."*

*—Natividad Seefeld  
Park Plaza Cooperative  
Board President*

provides additional income from monthly carrying charges paid by each household, which helps keep the community affordable for everyone.

All six communities had sanitary sewer repair or replacement requests of different sizes. While this isn't a glamorous issue, neglecting sewers can have a serious impact on local health and safety.

Two communities leveraged existing grant funds to improve their sewer systems.

Zumbro Ridge recently completed a \$400,000 project replacing the highest priority sewer mains, but was still left with some sewer lines made of orangeburg. Orangeburg is an obsolete fiber pipe composed of asbestos and wood chips and is at high risk of failure without replacement. Remediating the orangeburg lines will help ensure that residents don't have to deal with a dangerous and expensive sewer leak.

In Woodlawn Terrace, a previous award fell short of addressing their leaky sewer due to a permitting issue. This year's MHCR funds will address the shortfall and also allow them to make improvements to their water system, which is currently supplying safe but discolored and odorous water.

"The water is our #1 complaint," Bev Adrian, President of Woodlawn Terrace said. "The water smells like rotten eggs."

Bev notes that the water turns clothes yellow, causes aerators to get clogged, and leads to ad-



*Completion of the Madelia storm shelter was originally estimated for late summer 2024, but warmer winter conditions allowed contractors to work through the winter and move up the completion date to June.*

ditional appliance expenses by homeowners. This year's MHCR award will connect Woodlawn Terrace to municipal water, which is not only safe to drink but also clear and odorless.

Electrical updates, road repairs, and water line improvements were other common requests.

Outdated electric service boxes pose a fire risk in several NCF-supported communities. Both El Nuevo Amanecer ("The New Dawn") Cooperative and Park Plaza Cooperative had substantial requests for upgrading electric service boxes.

Nearly every NCF-supported community will have road repairs to conduct, either due to dam-

age and deterioration or below ground infrastructure work.

At Emerald Pines Cooperative in Alexandria, Minnesota, water leaks are costing the community upwards of \$30,000 per month. They are hoping to repair their water lines as quickly as possible using their recent MHCR award.

Thanks to the MHCR funding, and the hard work of the residents and NCF staff who worked hard to advocate for the funding and submit each application, six resident-owned communities will become safer, more secure, and more sustainable.

# Financials

## 2023

### Highlights

NCF experienced remarkable financial growth in 2023 by tripling its overall budget. The organization was able to expand benefit offerings for employees and add three new staff positions which also resulted in moving into larger office space. Additionally, NCF launched the Cooperative Loan Fund (CLF), a wholly owned subsidiary dedicated to lending capital to create and preserve cooperative enterprises, primarily serving low-income, low-wealth, and historically marginalized communities. In its inaugural year, the CLF raised a significant amount of capital for lending purposes. The organization plans to begin deploying loans in 2024, and anticipates a total deployment of \$2 million aimed at four real estate transactions to preserve affordable housing through cooperative ownership.

#### Consolidated Statement of Financial Position As of December 31, 2023

##### Assets

Cash & Cash Equivalents	\$2,706,298
Accounts Receivable	\$229,951
Other Current Assets	\$71,592
Right of Use Asset	\$182,697
Net Contract for Title	\$9,758
<b>Total Assets</b>	<b>\$3,200,296</b>

##### Liabilities and Net Assets

##### Liabilities

Current Liabilities	\$94,192
Long-Term Liabilities	\$1,926,048
<b>Total Liabilities</b>	<b>\$2,020,240</b>

##### Net Assets

Unrestricted Net Assets	\$270,954
Restricted Net Assets	\$71,706
Current Year Net Surplus	\$837,396
<b>Total Net Assets</b>	<b>\$1,180,056</b>

<b>Total Liabilities &amp; Net Assets</b>	<b>\$3,200,296</b>
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#### Consolidated Statement of Activities For the Year Ended December 31, 2023

##### Revenue

Foundation & Corporate Support	\$1,285,252
Co-op Support and Fee for Service	\$449,724
One Time Program Investment	\$600,000
Government Support	\$199,186
Other Income	\$13,275
<b>Total Revenue</b>	<b>\$2,547,437</b>

##### Expense

Program	\$1,456,744
Administration	\$197,198
Fundraising	\$56,099
<b>Total Expense</b>	<b>\$1,710,041</b>

##### Net Surplus

**\$837,396**

NCF

# Board & Staff

## Board

**Sarah Berke, *Chair***

Family Housing Fund

**Bobbie Grubb, *Vice Chair***

Festival Foods

**Brian Dahlk, *Treasurer***

Wegner CPAs

**Noah Hobbs, *Secretary***

One Roof Community Housing

**Benjy Nicholie**

First Childrens Finance

**Trisha Presley**

Alliance Bank

**Pat Streeter**

Park Plaza Cooperative

**Mar Valdecantos**

Rice County Neighbors United

## Staff

**Victoria (Tory) Clark-West**

Executive Director

**Emily Stewart**

Lending & Cooperative Development Manager

**Dave Berglund**

Real Estate Development Director

**Michelle Dobbratz**

Development Manager

**Joel Hanson**

Advocacy & Communications Manager

**Tom Guettler**

Office Manager

**Samuel Estes**

Special Projects Coordinator

**Dan Gordon**

Housing Program Associate

**Ed Hilbrich**

Housing Program Associate

**Kathleen Richert**

Housing Program Associate