



FROM FRONT PAGE OF OCTOBER 21, 2004 EDITION

Sunrise Villa now co-op owned by residents

The residents of Sunrise Villa in Cannon Falls are now the proud owners of their park. Sunrise Villa Cooperative also made history - it is the first manufactured home cooperative in the state of Minnesota, possibly the Upper Midwest.

Nationally, about 1,000 manufactured home parks are resident owned, explained Kevin Walker, housing program manager for Northcountry Cooperative Development Fund (NCDF), but the concept is new to the Upper Midwest. NCDF, a community development loan fund based in Minneapolis, worked with Sunrise Villa residents in negotiating the purchase, obtaining financing, and organizing and registering the cooperative.

NCDF also fronted pre-development money for infrastructure assessments, researched park issues, handled appraisals and environmental work, and helped develop an operating budget for the new cooperative. "We don't want to hand them a lemon," Walker said.

There was a good turnout of Sunrise Villa residents at the first meeting, and park residents asked good critical questions, Walker said. "They were ready to actively take a role in the ownership of this park," he said.

NCDF recently helped the new co-op hire a property management firm, Durand and Associates of South St. Paul, to handle day-to-day operations under supervision of the co-op's board of directors. NCDF will also provide pre-funded training and consulting services during the next two to three years, teaching board members how to read financial statements, conduct meetings, set priorities, and make capital decisions.

Over 60% of park residents (29 of 46 households) have already joined the organization, paying \$500 each to join the new cooperative. They were allowed to use security deposits they'd made previously as part of their payment. Members of the co-op will elect a permanent board of directors at their first annual membership meeting in late October. Interim officers are Deb Howden president, David Gaines, vice president, Dan Grunenwald, treasurer and Becky Ruddy, secretary. Park residents who chose not to join the co-op will continue to pay lot rent.

The cooperative paid \$928,000 for the park, but received loans of \$696,000 from Community Development Bank in Ogema, MN, and a second loan of \$490,000 from NCDF. Some of the money covered closing costs and debt financing, and the rest - including \$50,000 surplus funds for park improvements - is held in reserve.

Sunrise Villa residents own their own homes but had been paying rent for the land on which their home sits. The park includes 47 units, a playground, and storm shelter on 14 acres of land. Over 51% of Sunrise Villa Cooperative residents earn less than 80% of the area median income. The park was annexed to the city of Cannon Falls in 2001.

Longtime park owner Dennis Dunker sold the park to the developer of Sandstone Ridge a couple of years ago as part of a larger sale of land along Co. Rd. 25, but knew the developer wanted to resell. He recalled receiving a mailing from NCDF and put Grunenwald - a park resident since 1968 - in touch with Walker about 18 months ago.

Grunenwald said two projects have already received a high priority for improvement, the playground and the storm shelter. Grunenwald also expects there will be more enforcement of park rules.

In a press release issued by NCDF on Sept. 28, Howden explained why she took an early interest in setting up the cooperative. "I supported conversion to a cooperative so that we can have more control over what happens in the park, and greater control over our lot rents," she said.

NCDF was established as a nonprofit organization in 1978, working primarily with food co-ops. The nearly \$10 million fund is now involved in farmer, worker, child care, and housing co-ops, lending money from member co-ops, as well as supporting grants from the Minneapolis Foundation, McKnight Foundation, and the US Department of Agriculture.

"This is a pretty unique thing," Walker said, "but really fun work too. We're proud, and very excited about it." NCDF is also working with a number of other Minnesota mobile home parks, he said.

According to information provided by NCDF, more than 100,000 Minnesota residents live in manufactured home park communities, often because it's what they can afford. Although referred to as mobile homes, most residences are impossible - or extremely expensive - to move once placed.

Cooperative home ownership provides security because the park cannot be sold or closed without resident approval; resident governance; incentives to improve or invest in the park; more economical park operation; higher resale value; and the opportunity for board members and committee members to build civic skills.