

NMHOA

2023 Annual Meeting & Convention

OCTOBER 21, 2023

1:00 P.M. EASTERN TIME



Overview of the Meeting

1. Welcome & Annual Report 1:00 ET
2. “State of the States” Reports 1:10 ET
3. Speakers: Attorney General’s Offices & Manufactured Housing 1:40 ET
4. Board and Officer Elections 2:40 ET
5. Session: Manufactured Home Community Lot Rents 2:55 ET
6. Call to Action: Federal Manufactured Housing Bills 3:55 ET
7. Conclusion & Closing Remarks 4:00 ET

Welcome

▶ Opening Comments:

- President, Gary Miller
- Executive Director, Dave Anderson

▶ National Manufactured Home Owners Association (NMHOA)

- What is NMHOA?
- What does it do?
- How does it work?
- Opportunities for involvement (membership, committees, board of directors, etc.)

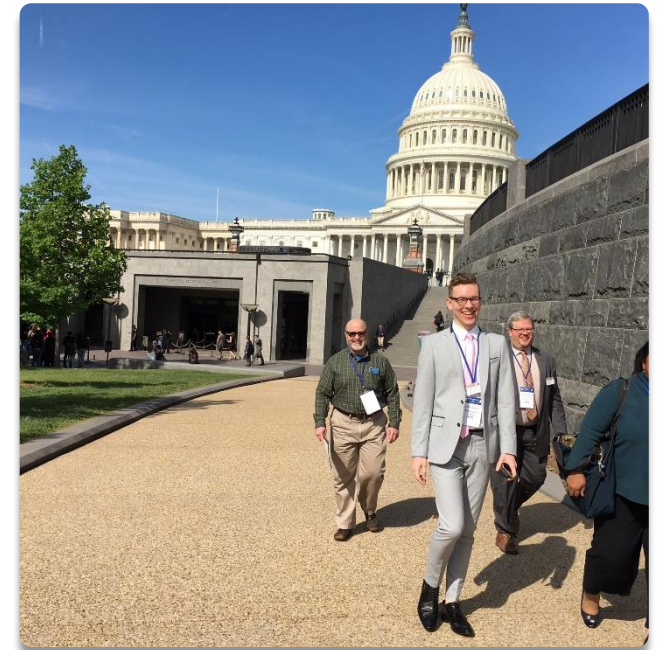


NMHOA 2023 Annual Report

- **PRICE Program** – NMHOA supported passage of the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Act providing \$225 million for the first federal program designed to address issues faced by manufactured home communities, specifically grants to repair infrastructure.
- **Federal Loan “Duty To Serve” Park Resident Protections** – During hearings on the Federal Housing Finance Agency’s Duty to Serve (DTS) rule, NMHOA pushed for stronger protections for residents of manufactured home parks purchased using federally-backed loans, including better language related to “good cause” eviction, a resident opportunity to purchase if parks are re-sold, and a limit on rent increases to the local Consumer Price Index (CPI), unless it can be justified by the cost of operations or maintenance.
- **Manufactured Housing Advocacy Week** – NMHOA organized a series of virtual meetings with members of Congress to promote its primary federal legislative proposals, including funding for the PRICE Program, tenant protections for communities purchased with federally-backed loans, protections for manufactured home buyers, and a tax credit for sale of park communities to the resident home owners or a nonprofit.
- **Legal Services Corporation Issue Briefs** – NMHOA worked with the Legal Services Corporation (LSC) on an issue brief about the legal pitfalls of mobile and manufactured housing, which is the second topic in their Housing Task Force series.
- **I’M HOME Conference** – NMHOA participated, as a key national partner, in the relaunch of the Innovations in Manufactured Homes (I’M HOME) Network, which became dormant in the wake of the COVID-19 pandemic. The relaunch included development of a strategic plan, a meeting of key partners, informational webinars, and a mini-conference in Washington, DC.

National Coalitions & Networks

- ▶ I'M HOME (Innovations in Manufactured Homes) Network
- ▶ National Low-Income Housing Coalition
- ▶ Consumer Federation of America



“State of the States” Reports

► State Reports:

- Your name
- Your state, park, and organization
- Brief State or Community Update



The Role of State Attorney General's Offices in Manufactured Housing



- ▶ Cynthia Lockridge, Public Service Programs, Office of the Washington Attorney General
- ▶ Sebastian Miller, Assistant Attorney General, Office of the Washington Attorney General



- ▶ Bennett Hartz, Assistant Attorney General, Office of the Minnesota Attorney General



Break

Back in 5 minutes

Board Elections

- ▶ The **NMHOA board of director** has 17 members elected to two-year, staggered terms with the following positions elected in even-numbered years:
 - First Vice President
 - Resident-Owned Communities Vice President
 - Treasurer
 - Northeast Region Vice President
 - West Region Vice President
 - At-Large Delegates (2 positions available)



First Vice President

- ▶ **First Vice President** – In the absence of the President, the First Vice President shall perform the duties of the President, including presiding at meetings of the board.
 - **Nominations** – Joseph Sullivan
 - **Election** – Joseph Sullivan

Resident-Owned Community Vice President

- ▶ **Resident-Owned Communities Vice President** – Serves to ensure issues related to Resident Owned Communities are addressed. In the absence of the President and First Vice President, performs the President's duties, including presiding over meetings.
 - **Nominations** – postponed until November
 - **Election**

Treasurer

- ▶ **Treasurer** – Maintain all of the corporation's financial records. Prepare financial reports and perform such other duties as may be requested by the president or the board.
 - **Nominations** – Pat McHugh
 - **Election** – Pat McHugh

Regional Vice Presidents

- ▶ **Regional Vice Presidents** – Serve members within their region. Perform other duties assigned by the president or the board.
 - ▶ **Northeast Region Vice President**
 - Nominations – David Kruczek
 - Election – David Kruczek
 - ▶ **West Region Vice President**
 - Nominations – Rita Loberger
 - Election – Rita Loberger

At-Large Delegates

- ▶ **At-Large Delegates** – Participate in the regular, special, and annual meetings of the board.
 - **Nominations** (2 positions available) – Nancy Inglehart, Mary Jo Baretich
 - **Election** – Nancy Inglehart, Mary Jo Baretich

Manufactured Home Community Lot Rents

- ▶ Historically, manufactured housing has been the state's most affordable source of both rental housing and home ownership. However, the rapid consolidation of ownership by private equity firms and national chains has accelerated rent increases.
- ▶ A Minnesota study found, in the last six years, nearly one-third of park lots changed hands and 55% went to large-scale national buyers. The trend is accelerating with 81% of sales going to these buyers in 2021. The communities with the 10 highest lot rents in the Twin Cities metropolitan area are those owned by these companies.
- ▶ On August 31, a prospective class action lawsuit was filed in Chicago federal court against nine manufactured home community management companies and one manufactured home market data provider, the plaintiffs allege that they suffered substantial financial losses due to a conspiracy to fix, raise, and systematically inflate manufactured home lot rental prices at more than 150 locations across the United States.

Community Owners Identified in Lawsuit

- ▶ Chicago-based **Equity LifeStyle Properties**, which bought Datacomp in 2021 for \$43 million
- ▶ Michigan-based **RHP Properties**, which bills itself as the country's largest privately-held manufactured home community owner with assets of more than \$6 billion
- ▶ Michigan's **Sun Communities**, a real estate investment trust
- ▶ **Lakeshore Communities** in Illinois
- ▶ **YES! Communities** in Denver, Colorado which is partially owned by private equity firm Stockbridge Capital Group
- ▶ **Inspire Communities** in Phoenix, AZ owned by private equity firm Apollo Global Management
- ▶ **Kingsley Management** in Provo, Utah
- ▶ **Cal-Am Properties** in Costa Mesa, California
- ▶ **Hometown America Management** in Chicago, Illinois

Specifics about the Lawsuit

- ▶ DiCello Levitt, Hausfeld, and Myron M. Cherry & Associates filed an antitrust class action lawsuit in the United States District Court for the Northern District of Illinois
- ▶ The case is *Ronald Kazmirzak and Carla Hajek v. Datacomp Appraisal Systems Inc., et al.* (Case No. 23-cv-6715) in the United States District Court for the Northern District of Illinois. A copy of the complaint is available online:
 - <https://fingfx.thomsonreuters.com/gfx/legaldocs/egvbmadqdpq/HAJEK%20V%20DATACOMP%20APPRAISAL%20SYSTEMS%2020230831.pdf>
- ▶ If you live in a manufactured home and are facing drastic rent increases, you can contact:
 - DiCello Levitt at mhlantitrust@dicellolevitt.com or 646.933.1000, or
 - Hausfeld at mhlantitrust@hausfeld.com or 202.540.7200.

CALL TO ACTION: Support Federal Manufactured Housing Bills

- ▶ Proposed Legislation:
 - Tenant's Bill of Rights
 - Community Improvement
 - Fair Home Loans
 - Community Preservation



Manufactured Housing Tenant's Bill of Rights

It would establish a set of minimum standards for tenants in MHCs that receive federal financing through Fannie Mae, Freddie Mac, or the Federal Housing Administration:

- The right to a one-year **renewable lease** absent good cause for nonrenewal.
- A **5-day grace period** for late rent payments.
- A minimum **60-day written notice of rent increases or new added charges** like water or sewer of up to 5% of the prior rent, with longer notice for larger rent increases (an additional 30 days required for each 2.5% rent increase above 5%).
- Rights for the tenant to:
 - ❑ **Sell the manufactured home** without having to relocate it, including selling the home in place within 45 days after eviction.
 - ❑ **Sublet the home** or assign the lease to a buyer of the home provided the buyer meets the MHC's rules and regulations.
 - ❑ **Post "for sale" signs** on the home.
 - ❑ Receive at least **60-days advanced notice of sale or closure**

PRICE Program Funding

- In 2022, Congress created a new program, the **Preservation and Reinvestment Initiative for Community Enhancement** (PRICE) program. PRICE will provide \$225 million to preserve and revitalize some manufactured homes and communities (MHCs).
- The primary purpose is to bring community infrastructure up to code. **Infrastructure improvements** could upgrade water, sewer, septic and electric systems. Investments can repair roads, storm water drainage and sidewalks too.
- Funds can also support **home improvements** such as removing abandoned and blighted homes, improving foundations and upgrading or adding storm shelters. Funds can also be used for **eviction prevention** and **relocation assistance**.
- It is important for the PRICE Program to become a permanent program with ongoing funding. The 2024 federal budget has not yet been approved and, currently, the U.S. House has only \$20 million in its draft budget and the U.S. Senate does not have anything.

Fair Manufactured Housing Lending Act

- In response to the last housing crisis, Congress decided to protect consumers, including manufactured home buyers, from expensive and predatory home loans through the **Truth in Lending Act**. Mortgage originators were prohibited from steering home buyers to their own expensive, affiliated lenders. Manufactured housing retailers were defined as mortgage originators.
- In 2018, **manufactured housing retailers were exempted** from the Truth in Lending Act and the strong consumer protections were replaced with ineffective disclosure requirements.
- Removing this exemption would mean retailers were once again covered and consumers would be protected from unscrupulous retailers who might want to take advantage of home buyers through their own more expensive lenders.

Frank Adelman Manufactured Housing Community Sustainability Act

- Nationwide, there are more than 1,000 manufactured home communities are **owned by residents or nonprofit organizations**. However, this represents **only 2%** of the MHC's in the country.
- Rather than sell to residents or nonprofits, property owners are often more inclined to pass the property on to their heirs, avoiding **capital gains taxes**.
- Modeled on policies adopted in several states, the act provides a tax incentive for community owners to sell to their residents. It creates a **75% federal tax credit** on the sale of the property.
- For example, if the owner sells the land to a resident cooperative, instead of paying \$150,000 on a \$1 million gain, the owner will only pay \$37,500.

Sample E-Mail

Hello NAME,

My name is NAME and I am your constituent in CITY. Here you will insert briefly what you are emailing them about. You could be as broad as “manufactured housing” or more specific to a bill you want to see them support.

In this paragraph you will discuss in more detail about your issue you care about. You can include bill information and your personal stories including what it is like living in the community and the issues you and/or your association are working to address. Bill one pagers can be found here: [Tenants Bill of Rights](#), [Fair Manufactured Housing Lending Act](#), [Frank Adelman Manufactured Housing Community Sustainability Act](#), and the [PRICE Program Funding](#) bills. Including specific bills is helpful for lawmakers and their staff.

This final paragraph will quickly summarize your previous paragraph such as “Given these issues, I think it is important to support BILLS or ISSUES” Finally, ask them if they will support the issues you care about and are writing to them about.

Thank them,
Put your name
Put your address
Put your contact information

Sample Phone Call

“Hello,

My name is NAME and I am your constituent in CITY. I am calling to request support for BILL or ISSUE. (If you can include specific bills, this would be helpful. They may transfer you to a new person, or just take notes). This issue is important to me because INSERT REASONS/PERSONAL STORY. I am asking for SENATOR or REPRESENTATIVE NAME’S support for this BILL or ISSUE.

Thank you, NAME”

They may ask questions, answer to the best of your knowledge, or inform them that you can get the information to them as soon as possible. Ask them how they would prefer the information get to them.

Thank you!

▶ Contact Information:

- **Web Site:** nmhoa.org
- **E-Mail:** dave.anderson@nmhoa.org
- **Phone:** 202-800-9795

