

WE TAKE PRIDE IN OUR HOMES



AND WE DESERVE BETTER THAN...

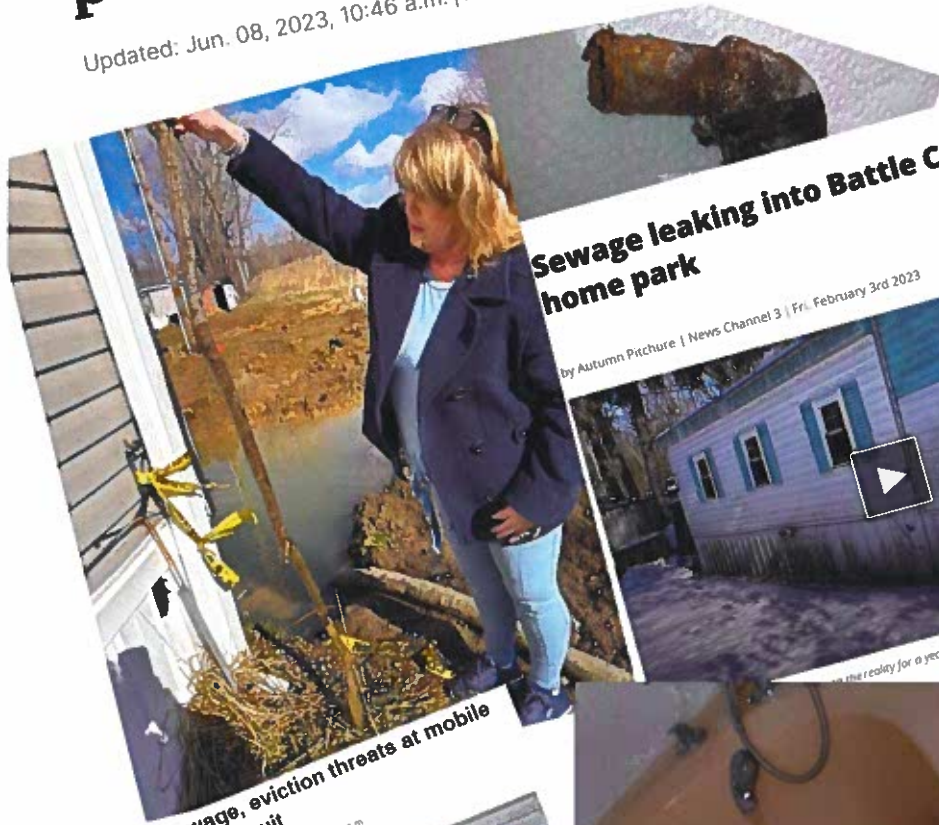
A hedge fund bought Michigan mobile home parks. Things fell apart.

Updated: Jun. 08, 2023, 10:46 a.m. | Published: May. 31, 2023, 6:00 a.m.

PUBLIC INTEREST

Wallet Watch: Hedge fund 'like a shadow' buying Michigan mobile home parks

Published: Jun. 05, 2023, 6:00 a.m.



Sewage leaking into Battle Creek homes at mobile home park

by Autumn Pichure | News Channel 3 | Fri, February 3rd 2023



'Slopping' raw sewage, eviction threats at mobile home park prompt lawsuit

Updated: Jan. 14, 2024, 7:15 a.m. | Published: Jan. 14, 2024, 7:02 a.m.



Business Watch

Rent, frustration rising in Michigan's mobile home parks



LOCAL NEWS Pace of progress on improvements at Warren trailer park miffs residents

Warren City Council approves nuisance lawsuit





My name is Carla Kinsey, and I have lived in Avon on the Lake in Rochester Hills, Michigan for 13 years. I spent a long time looking for my home because I've been fighting a terminal disease for 14 years, and I wanted it to be the place where I died.

I'm a retired property manager (among other things) so I know they have to make money, but Yes Communities is the greediest company I have had experience with. I've seen companies with a moderate amount of compassion, but these people seem to think we're cheap as dirt and bodies are replaceable.

They keep raising the rent to the point where we can't afford to live here. But we also can't afford to move because after we pay rent and utilities there's nothing to save to move on.

My lot rent has gone up over 50%, and I am paying more than half of my monthly income just for the dirt my home sits on. At this rate, within the next two leases, I will be homeless.

I just keep thinking I want to live, but on my bad days, I think maybe God will take me before I have to face that situation.

We need protection from these shady financial practices.



My name is Blaer Roberts, and I live in Landmark Estates in Warren, Michigan. I moved up here from Georgia after my stepfather died to help out my mom and be closer to my kids.

As a young father getting on my feet, Landmark Estates seemed like a good deal. The place was quiet with big trees. I could imagine bringing my kids here. I bought this house because it was reasonable during COVID, and I came in with hope and positive attitude that I could make the best of things.

Maybe I should've known better. When I came to buy the house, the manager said the one I had looked at was no longer available, and I ended up with the one next door. I can't even list all the things that happened next.

The manager asked me to mow the grass and clean up trash in the community, and she offered to take money off my lot rent in return. It never happened. When I asked about the lot rent, she called me a liar. Then they were cutting down trees, and their crane truck drove into the side of my house, and they dropped a limb on my home that caused a roof leak. They still haven't fixed those, and I had to patch the roof myself.

But worst of all are the sewage problems. I have video of sewage backing up in our yards. There are times when every flush meant raw sewage backing up under my home. It happened all down this street. The company that came out to fix the problem said the whole sewage system in the neighborhood needed to be dug up and replaced. The owners refused and just did spot fixes, threw down some lime on the puddles of sewage in our yards, and walked away. I had to put topsoil over it myself.

I still have hope. Owners with values and a vision could make this a good place for older people and young parents like me.

But it doesn't make a person feel good to have your kids come to your house, and the first thing they say is, "Dad, what's that smell?" These owners need to be forced to fix what needs fixing. And we need strong protections so no one goes through what we're going through.



My name is Tony Purdum, and I've lived in Baltimore Terrace in Hastings, Michigan, for 7 years. I worked in concrete for 25 years with our family business before I injured my back and had to have surgery that left me disabled.

Homes of America took over a couple years ago. One night, they came to my door with a notice that my rent was going up \$200 and it was due the next day. I said I couldn't come up with that much that fast. They said I'd be charged late fees. I scrambled, cut off my car insurance, and didn't renew the tags to try to pay it. I can't get around, even to the food pantry. After all the rent, fees, and utilities, I have \$220 a month to live.

To add insult to injury, they charged me \$480 in late fees for rent postmarked by the due date. The water is orange and they won't do anything about that, but they found the time to add on a garbage pick-up fee.

IT DOESN'T HAVE TO BE THIS WAY!



My name is Kitty Cole, and I have lived in Sherwood Forest in Ionia, Michigan for 30 years. I've done a lot. I owned and operated Kitty's Cafe on Main Street for fifteen years and a catering business for forty years. And I spent seven years as the park manager for this community. But when Cambio bought the community, I saw the writing on the wall, and I retired.

I am proud of the work we did in this community. I worked hard. We had this community pristine. I received the Park Manager of the Year award from the Michigan Manufactured Housing Association (MMHA).

That's why my heart aches when I look around this park today. They spent all of their initial improvements budget on office renovations, a new pickup truck and painting a sign. They aren't doing any projects or even keeping the place up.

I know firsthand you can run a park well, make money, AND provide a wonderful place to live without raising lot rents like some of these companies are doing.

It doesn't have to be this way - and shame on the MMHA for opposing the protections their residents so desperately need!



We're Todd and Renee Fye, and we live in Pine Ridge, in Argentine Township, MI. This was going to be our forever home, our retirement community. We projected what we could handle – with *normal* lot rent increases. Since Havenpark came in, expenses have doubled in three years. What about the next three years?

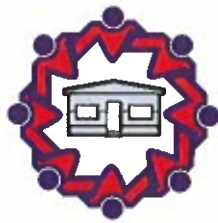
We both worked in the industry. Todd was maintenance supervisor of this park for 21 years over two previous owners. Renee was office manager for 4 years. We know you can run a park well, charge affordable lot rent, and make a profit.

We did annual storm sewer repair and maintenance, implemented an annual concrete plan, did preventative maintenance on backup generators, made sure the snow got plowed in a timely and complete manner, and more. These people can't even handle streetlights and concrete.

At one point we counted 125 of the 225 streetlights were out. They installed homes improperly. We reported exposed electrical wires on a vacant site, and it took over three weeks and calls the state and the utility company to get it fixed.

We spent three years building the water system in the park to remove radium from the water. The system was in compliance when the DEQ issued its operating license. Within 90 days of Havenpark taking over, they were out of compliance. We have personal concerns over our water's quality.

If I had known that companies in this industry could be this corrupt and deceptive, I don't know if we ever would've invested in a manufactured home. They have changed the course of our lives. Someone needs to hold these companies accountable.



MHAction

Manufactured Housing Action

Dear Senator/Representative,

We, the undersigned organizations, call on the Michigan Legislature to take action to protect Michigan's 250,000 manufactured home community (MHC) residents by passing SB486-492/ HB5157-5163.

Over 1,200 Michigan manufactured home communities are a critical affordable housing option for seniors, people with disabilities, veterans, working families, and other groups who may have limited incomes. Nationally, approximately 50% of MHC residents rely on either retirement, disability, or other forms of social security income as their primary source of income (MHAction, 2023). These tight-knit communities are made up of caring networks of neighbors, especially for seniors living on their own in need of assistance.

Unfortunately, these communities are under threat. Predatory land speculators and private equity groups have set their sights on manufactured home communities as their next opportunity to increase their profits. These speculators take advantage of residents who generally own their home and rent the land beneath it. Since these homeowners often cannot move their homes (structurally or due to the exorbitant cost of doing so), they are trapped. Exploiting this immobility, predatory firms are dramatically increasing lot rent (the rent residents pay for the land beneath their home) and fees, while gutting maintenance services. For example, residents in one Genesee County community were given 30-day notices of an immediate 22% lot rent increase ([MHAction](#), 2023, p. 11).

Residents suffer with health and safety risks caused by poor maintenance and distant management. One couple living in an MHC in Warren was [unable to get help fixing a leaky roof](#), rotted floors, and a broken furnace in their unit because their corporate lot owners wouldn't give them the title to their home — despite them having purchased it nearly 2 years earlier. Residents across the state complain of rodent infestations in their communities, worrying parents who fear their children will be bitten while they sleep. Despite dramatic and unexpected increases in rent, residents across Michigan are forced to endure deteriorating lot conditions.

Punitive rulemaking by new corporate lot owners only adds to resident distress. Residents at a community in Argentine were [threatened with eviction](#) after their new lot owner instituted a rule forbidding dogs over 35 lbs. A resident in Holland was [fined for storing a tire](#) in his garage. Many residents across the state are made aware of newly instituted rules with a note on their door and little face-to-face contact with their lot owners, and many aren't even sure who their new owners are.

This harmful business model wreaks havoc on the well-being of Michiganders. Seniors on fixed-incomes and low-income families are left choosing between rent and food or medical care. Others are forced to abandon their homes and lose their life savings.

A package of basic, common sense protections has been introduced in the Michigan state legislature ([SB486-492/HB5157-5163](#)). These bills would take a first step to:

Stop rent- and fee-gouging and require transparency regarding utility charges

Offer residents real opportunities to purchase their parks if they go up for sale

Allow local governments to require community owners to post a surety bond for covering expenses of addressing health and safety issues

Require the Department of Licensing and Regulatory Affairs (LARA) to:

update the licensing and operating requirements for community owners

impose fines on community owners that operate without a license

operate a public database with park owner information

Stop landlords from seizing homes without due process and fair compensation

The proposed legislation will begin to protect thousands of Michiganders, including seniors, veterans, and people with disabilities who need affordable housing most. These basic protections will reward responsible manufactured housing community owners and prevent some of the worst abuses by predatory actors. We urge swift passage of these important protections.

Sincerely,

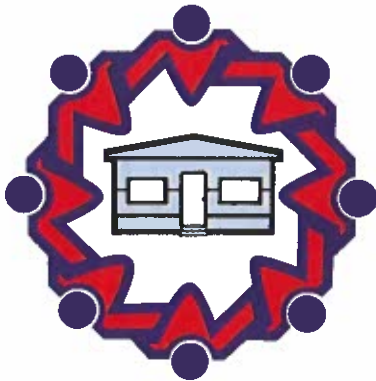


**PLEASE PASS THE BASIC
PROTECTIONS IN**

SENATE BILLS 486-492

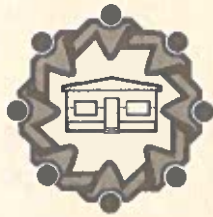
&

HOUSE BILLS 5157-5163!



MHAction

Manufactured Housing Action



MHAction

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Responses to Michigan Manufactured Housing Association concerns about SB486-492/HB5157-5163.

Abandoned home title process & claiming the homes of evicted residents

For decades, manufactured home community (MHC) residents have been vulnerable to having our homes taken by unscrupulous MHC owners. We are a unique category of homeowners who own our homes and rent the small piece of land underneath. We are often trapped, unable to move our homes because they can't be moved structurally or because it could cost up to \$20,000 to do so. If we are priced out or evicted, we can quickly lose our homes, often our most significant or only asset, without any compensation.

Predatory hedge funds, private equity investors, and the like can jack up lot rents and fees, price people out, reject any interested homebuyers, and then either force residents to sell to them at a cut-rate or wait for the residents to fall behind and take the home without any compensation.

This bill simply provides due process and fair compensation on a much faster timeline than the foreclosure-by-advertisement process for traditional homeowners. It reasonably balances the need to remove abandoned homes with the need to protect vulnerable residents from having their homes taken without any compensation.

Manufactured Home Commission

According to census data, manufactured homes account for almost 250,000 Michigan households. Preserving this as a source of private, affordable housing is critical to all of us. This legislation would create a balanced commission, better representing all stakeholders and drawing on a breadth of experience and

expertise from various parts of the industry, residents, local government, legal aid, and housing organizations.

As large, inaccessible, often predatory companies – companies that focus on extracting value and sending it to investors out of state or out of the country - take over more and more manufactured housing communities in Michigan, it is even more critical that the voices of those interested in the wellbeing of Michigan residents and communities are well-represented on the commission.

Unlicensed parks

When residents neglect their property or fail to live up to their lease, MHC owners can directly hold them accountable by taking them through the eviction process.

When MHC owners fail to uphold the fundamental conditions of maintaining a safe, habitable community to such a severe extent that they lose their license, residents are left to wait and hope that the state has the time, capacity, and will to impose a big enough fine to make a difference to a massive, predatory investment firm.

The proposed provision makes sense. Residents must pay rent according to their leases in order to live there. MHC owners must provide a safe community according to licensing standards in order to collect rent.

For better or worse, we are getting to the stage where massive investment firms own the majority of manufactured housing communities. These large firms can survive a short-term loss of income from a single unlicensed property. If a community owner remains unlicensed for such an extended period that the loss of income threatens the viability of the business as a whole, we must put the community's welfare first and name a responsible party as a receiver.

Lot Rent Justification

These bills *do not impose any cap* on how much rent can be raised in an MHC. However, since there is no free market where residents are trapped, they provide

essential protection by requiring MHC owners to justify rent increases above the Consumer Price Index to the Manufactured Housing Commission.

Some have called this "Proposal A" for manufactured homeowners (note that the MHC owners receive significant benefit from Proposal A). Others have compared it to the fact that utilities don't have the power to arbitrarily double or triple their rates just because they want to send more money to investors out of state or internationally.

MHC industry leader Frank Rolfe famously compared owning an MHC to "owning a Waffle House where the customers are chained to the booths." Other firms are more euphemistic, referring to the low turnover due to the "relocation barriers." In the end, they mean the same thing. Predatory investors are free to gouge Michigan seniors, disabled people, and working families because they have us trapped.

To add another facet to this issue, [Reuters](#) and [Business Wire](#) recently reported on charges of price fixing against some of the biggest owners of MHCs in Michigan.

Fees and Penalties

One of the primary components of the predatory model, in addition to drastic rent increases, is to tack on fees for all of the things that lot rent used to pay for-- from administration fees to parking to garbage to pet fees (imagine paying to have a cat in the house you own!) to anything else they can think of.

Predatory investment firms are using junk fees as another revenue stream to pull more money out of the pockets of seniors, veterans, and families who can least afford it. This bill ensures that fees are related to actual costs and health and safety concerns.

Then there are the penalties residents report. A woman brought her kids in from playing outside for lunch for an hour and got charged \$50 for leaving their tricycle in their yard. A man put the spare tire from his truck in his carport for an afternoon while he helped someone move, and he got a violation. An older couple got charged because they mowed the grass on Wednesday one week, and

the manager does rounds inspecting lawns every Tuesday. A resident was given a violation notice because his front vehicle tires sat four inches on his lawn.

We often hear from residents that companies hold their checks an extra day or week. Then the MHC owner charges \$50, \$75, or even \$100 in late fees, claiming the resident didn't pay the rent on time. One company lets those bogus fees build up for six months to two years without notifying residents and then uses it as grounds to file for evictions, take the homes, and then rent them out for more.

Failure of the tenant to make timely rent payments is already grounds for eviction under Michigan's "just cause termination law." It doesn't need to be a revenue stream.

Unfortunately, these companies have demonstrated that they cannot exercise their immense power over residents' lives responsibly, and these basic protections are necessary.

Taxes

These bills would tax rental homes in manufactured housing communities like rental homes in other communities. That form of taxation has yet to prevent companies from buying up apartment complexes and single-family homes to rent out. On the contrary, this trend is increasing at a worrying rate. In fact, sometimes the same predatory investors buying our MHC communities also purchase single-family and apartment complex rentals.

As for complexity, the idea that a company which owns manufactured housing communities would lack the basic competence to create a spreadsheet of the homes they own, what dates they hold them in a given year, what percentage of the year that is, and the value of the home is very concerning. Any such company should not be entrusted with the housing of vulnerable Michiganders.



Support REAL protections for manufactured housing residents!

It appears that the Michigan Manufactured Housing Association is pushing a watered-down bill package that would not address the major concerns and injustices affecting their residents. Their bills appear to crack down on unlicensed manufactured housing community (MHC) owners, but leave the egregious abuses perpetrated by predatory corporate MHC owners completely unaddressed.

**Please support real protections
for seniors, people with disabilities, and hard-working families!**

Topic	The real protections in HB5157-5163/SB486-492	The Industry Bills HB4886-4889
Rent gouging	Owners with a history of unjustifiable rent increases can't renew licenses. Allows MHC owners to increase rent at the rate of inflation automatically and any amount needed to cover operating and capital expenses plus a reasonable rate of return with approval of the Mobile Home Commission.	Not addressed
Fee- and penalty-gouging	Cannot charge fees or penalties not associated with the cost of occupancy. If charged, fees/penalties must be reasonably related to the costs incurred to ensure health and safety	Not addressed
Utility fairness and transparency	MHC owners can't charge more than they are paying for utilities, and they must disclose the rates they pay.	Not addressed
Electronic payment systems	MHC owners cannot require residents to pay electronically, to waive their rights, to share information on their computers, or to charge extra for not paying electronically	Not addressed
Addressing infrastructure issues	Local government can require an owner to post a surety bond for covering expenses of addressing health and safety issues. LARA can declare an MHC distressed and require owners to post financial assurance (bond, cash, other) to ensure repair and clean up including repair of utility systems, removal of abandoned homes, etc.	No new requirements of MHC owners.
Unlicensed MHCs	LARA informs them and gives them 30 days to apply. Potential fine of up to \$100K. Unlicensed MHCs can't collect rent or evict. Residents can take them to court to recover rent paid while unlicensed and to get a receiver appointed.	LARA informs them and gives them 30 days to apply. Potential fine of up to \$100K

Leases	MHC must offer a 1-year lease, provide new/renewal lease 30 days prior to end of old lease, include notice that unlicensed MHCs can't collect rent or evict, and comply with truth in renting act. Residents can sue for violations of this section.	Requires written leases to include certain information, renewal unless just cause not to, and a 5-day grace period for payments. No consequences named.
"Abandoned" homes after residents evicted or priced out	Provides process for homes to be declared abandoned and titles issued to the MHC owner. Requires MHC owner to pay the former owner fair market value minus funds owed.	Residents as little as 30 days past due on rent can have their homes declared abandoned. If they don't move their homes in 30 days (often impossible), MHC owners get their titles with no compensation for former owner.
Resident opportunity to purchase MHC	Provides notice requirements so residents know when their MHC is being sold and can make an offer.	Not addressed
Underrepresentation of residents on Mobile Home Commission	Balanced to represent residents and park owners, must meet quarterly	Not addressed , quarterly meetings optional
Publicly searchable database of MHCs and owners	Required from LARA, owners who don't keep it updated are fined and repeat offenses impact license renewal	Required from LARA, no consequences for failing to update
Installers and repairers	LARA sets training and licensing rules, continuing ed requirements	Not addressed
Revising the Mobile Home Code	LARA must revise by 7/1/25 including <ul style="list-style-type: none"> - Parameters on dealer financing practices, and terms, claims and conditions - Licensing and training requirements for installers/repairers - Inspections - Unlicensed people using others' license 	Not addressed
Licensing rules and standards	LARA must revise by 7/1/25 including <ul style="list-style-type: none"> - Annual renewal - Owners must not have relevant convictions, history of unjustifiable rent increases, unaddressed violations - Owners must disclose all investors who own 5+% 	Not addressed
LARA staffing	LARA must hire appropriate staff with appropriate qualifications	LARA must hire appropriate staff with appropriate qualifications (at least 3 full time)