General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-5111

AN ACT CONCERNING MOBILE MANUFACTURED HOMES AND MOBILE

Title: MANUFACTURED HOME PARKS.

Vote Date: 3/21/2025

Vote Action: Joint Favorable

PH Date: 3/19/2025

File No.:

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:

Rep. Raghib Allie-Brennan, 2nd District Sen. Julie Kushner, 24th District

REASONS FOR BILL:

This bill intends to add additional protections for mobile home park residents and is intended to respond to complaints that the legislation's sponsors have heard from their constituents. It requires mobile home park owners to provide comprehensive disclosure of "ancillary fees," creates a complaint process with the Department of Consumer Protection (DCP), and requires owners to provide at least ninety days' notice of any rent increases. State Representative Raghib Allie-Brennan submitted written testimony detailing the rationale for proposing this bill.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

State Representative Raghib Allie-Brennan, 2nd District proposed House Bill 5111 (in collaboration with a fellow member of the Danbury delegation, Sen. Julie Kushner) with the intent of strengthening protections for mobile home residents in his district and across the State of Connecticut. He notes that he and other advocates have been working to enact various provisions aimed at improving safety, stability, and affordability in mobile home parks. Rep. Allie-Brennan acknowledges that although the bill does not address the same sale, lease, or transfer issues that prior bills have targeted, HB 5111 would institute new and important protections around fees and rent increases.

Raphael Podolsky, Attorney and Policy Advocate, Connecticut Legal Services testified in support of HB 5111 because two unique aspects of mobile home parks necessitate special protections for mobile home owners:

- (1) He notes that mobile homes are not actually mobile—they are moved into location using a flatbed truck and anchored into the ground. In addition to being difficult to move, it is challenging to find a mobile home park that will accept a used mobile home. Therefore, renters are unable to 'just move' to another park.
- (2) Mobile home residents own their homes but rent their lots—if they can't find a park that will accept their home, they lose most of its value.

Mr. Podolsky argues that while current statute provides some protections, mobile home owners are particularly vulnerable to unchecked increases in rents and other charges. For this reason, he argues that HB 5111 is needed.

Benjamin Chianese, Councilman, Danbury City Council submitted testimony in support of the bill. He cites multiple issues with Shady Acres Mobile Home Park, which is within his district. Councilman Chianese states that the rent keeps increasing, yet most residents are unable to afford high rents and other fees. He is in favor of HB 5111 because it would improve transparency when homeowners decide where to live.

Michael Trolle, Homeowner, Shady Acres Mobile Home Park testified in support of the bill. He explains that he and his wife purchased a unit in the park for their son who has special needs. He states that the unit has septic systems that are "failing badly" and that there are significant issues with the water system and electric service. Mr. Trolle believes that an upcoming monthly rent increase, which he describes as comparable to the CPI increase, would be acceptable, but he does not believe that the management company has invested in the park's infrastructure. He characterizes the legislation as critical to the safety of residents of Shady Acres and other manufactured home parks.

A resident of Beechwood Mobile Home Park submitted testimony in support of the bill, citing the need for affordable senior housing.

<u>Diane Kosis</u> and <u>William Demarais</u> submitted testimony expressing general support for the legislation.

NATURE AND SOURCES OF OPPOSITION:

Mark Asnes, Community Owner and President, Connecticut Manufactured Housing Association strongly opposes HB 5111. He expresses disappointment that the state's Manufactured Housing Advisory Council was not consulted on the legislation and argues that all stakeholders should have been brought together to make a plan. Mr. Asnes states that rents on Connecticut manufactured housing lots are "well below the national average" and that they include water and sewer costs, claiming that the "average rent increase over the last 2 decades has been 5% or less. He expresses further dismay because he believes that manufactured home community owners are being held responsible for "abhorrent" rent increases across the entire housing market.

Instead of drafting legislation that impacts all housing providers, Mr. Asnes argues that legislation should only target bad actors. He provides additional details regarding his expenses to support the claim that the legislation would discourage community owners from investing in their properties. Overall, he argues that the legislation "ultimately exacerbates the issues it aims to solve.

Sean Dizenzo, Owner Operator, Colchester West LLC testified in opposition to HB 5111 because it will negatively impact the communities he owns and manages. He states that he has "raised his rents fairly and with just cause," explaining the rate of rent increase and comparing it to the rate at which service costs have increased. He points to the increases in manufactured home values as evidence that community owners are sufficiently investing in their properties. While Mr. Dizenzo understands the need for affordable housing, he states that he is opposed to limits on rent increases because they have not worked in other states. He suggests that policies such as zoning reforms or subsidies would more adequately address the affordable housing shortage.

Adrian Furlotte, Connecticut Manufactured Housing Association opposes the legislation, detailing a long history of his involvement in mobile manufactured housing management. He argues that his family continues to "aggressively reinvest" in the community they own. Mr Furlotte maintains that fair rents enable these investments, and he argues that the legislation would force owners to reduce maintenance and reinvestment in the community. He argues that it would be more effective to use fair rent commissions to address the behavior of bad actors. Mr Furlotte comments, "If rent is going to be capped, then property taxes, insurance, garbage pick-up, snow plowing, road paving, and landscaping should be capped too."

Nicolas Furlotte opposes HB 5111, arguing that "no rationale is provided" to support it. He thinks that fair rent commissions should do what they were created to do. Mr. Furlotte expresses frustration at the prospect of trying to meet financial responsibilities while complying with the proposed limits in HB 5111. He states that he has tried to keep rent increases "to 2 or 3%" during a period of rapid inflation, but he now needs to enact a greater increase. Mr. Furlotte believes the proposal would shut down small business, and he thinks that if rents are limited, selling prices should be, too. His testimony provides detailed personal reasons he is frustrated with the approach the bill takes. Mr. Furlotte offers to sit down with any legislator who is interested in working out solutions to perceived issues.

Brandon George, Division Vice President, Sun Communities opposes HB 5111 because he thinks it would be "detrimental to MH communities and residents in Connecticut and further exacerbate the attainable housing shortage in the state and across the country." He expresses strong opposition to proposed limits on rents or fees because expenses are not subject to the same limitations. Mr. George argues that tying increases to CPI is not a workable solution because he thinks it is not an accurate measure of operating costs. He characterizes caps on ancillary fees as "arbitrary, illogical, and overbroad." Mr. George raises the possibility that HB 5111 would threaten the ability of some manufactured home communities to continue operations.

Lesli Gooch, Chief Executive Officer, Manufactured Housing Institute (MHI) testified in opposition to HB 5111, characterizing the legislation as "detrimental" and arguing that it will place owners and residents at risk. The majority of her testimony presents an argument against "rent control," which is outside the scope of HB 5111.

<u>Eric Hawkins, Owner, Mansfield Village LLC</u> opposes the legislation because he believes it will harm small park owners and residents. He notes that maintenance costs "continue to escalate beyond our control." Mr. Hawkins believes that proposed limits will negatively impact his ability to keep the community safe, clean, and attractive, thereby decreasing home values. He urges the committee to oppose the bill.

Nancy Palmisano, Executive Director, Connecticut Manufactured Housing Association (CMHA) testified in opposition to HB 5111. She argues that CPI is not an appropriate measure of anticipated increases in the cost of upkeep and other services. CMHA believes that restrictions could force owners to close their communities. In addition, the testimony characterizes the legislation as "unfair" and "targeting mobile home park owners" because she perceives them as being singled out. Ms. Palmisano argues that mobile home park owners have a right to operate profitably and that a more effective approach would be to allow fair rent commissions to serve their purpose.

Matt Riley, Connecticut Manufactured Housing Association opposes the legislation, arguing that CPI is not an accurate measure of how fees should increase. He believes that HB 5111 will reduce availability of affordable housing, and he thinks that the bill unfairly targets mobile home park owners. Mr. Riley suggests that Fair Housing Commissions should handle disputes between landlords and tenants.

<u>Christine Slover</u> submitted testimony opposing the bill. She does not state a reason for opposing the bill, but she comments on the history of rent increases in her mobile home community.

<u>Judy Macinka</u> opposes the bill because she thinks mobile manufactured homes are eyesores that "belong in places like Alabama and Mississippi not Connecticut."

James German testified in general opposition to the bill.

Reported by: Betsy Francolino Date: March 27th, 2025