# General Law Committee JOINT FAVORABLE REPORT

Bill No.:HB-5428<br/>AN ACT CONCERNING MOBILE MANUFACTURED HOME PARKS.Vote Date:3/21/2025Vote Action:Joint FavorablePH Date:3/19/2025File No.:Image: State State

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### SPONSORS OF BILL:

Rep. Rebecca Martinez, 22<sup>nd</sup> District

# **REASONS FOR BILL:**

Representative Martinez initially proposed this legislation to address concerns she has heard in dozens of conversations with constituents who live in mobile manufactured home parks in her district. The constituents, many of whom live on low, fixed incomes reported that rents in their mobile home communities were rapidly becoming unaffordable, yet needed investments in the park's infrastructure were being delayed or not made at all. In addition, extra fees were being tacked on to their rent, adding extra strain to residents' budgets. House Bill 5428 addresses these concerns by placing limits on rent increases and "ancillary fees," and it holds mobile home park owners accountable for following health and safety regulations by strengthening enforcement measures. It also increases transparency for residents and those considering residency in a manufactured mobile home community by subjecting certain investigation records to the Freedom of Information Act.

#### **RESPONSE FROM ADMINISTRATION/AGENCY:**

Bryan Cafferelli, Commissioner, Department of Consumer Protection (DCP) provided written testimony commenting on HB 5428. DCP appreciates the bill's intent to improve transparency pertaining to mobile home investigations, but they express concern that a requirement to disclose information while a case is still open could compromise the integrity of that investigation. Commissioner Cafferelli adds that DCP would need additional resources to implement the proposed requirement that the Department investigate the water flow of fire hydrants in mobile home parks.

Colleen M. Murphy, Executive Director and General Counsel, Connecticut Freedom of Information Commission testified in support of HB 5428's provisions requiring disclosure of records pertaining to mobile home park investigations. She argues that these updates are needed because lengthy investigations could delay residents' access to pertinent information about their communities.

## NATURE AND SOURCES OF SUPPORT:

State Senator Christine Cohen, 12th District submitted written testimony in support of HB 5428. She writes that the bill would "bring much-needed protections to mobile manufactured home residents by placing limits on rent and fee increases, strengthening enforcement with added penalties, and boost[ing] transparency by subjecting key records to the Freedom of Information Act. Sen. Cohen explains that she represents residents of Beechwood Community Mobile Home Park in Killingworth, and these constituents have been burdened by large rent increases after their community was purchased by a large investment trust. She states that these residents are looking to "ensure they aren't priced out of the homes they've long called their own." Sen. Cohen argues that tying rent increases to the Consumer Price Index is balanced, fair, and predictable, adding that it would "make sense" for owners to be able to petition to institute greater increases when they face extraordinary circumstances. While she notes that some propose that fair rent commissions are a more effective solution, they do not prevent harm from occurring in the first place, and some towns do not have fair rent commissions. Senator Cohen writes, "While all renters deserve protections from unreasonable rent hikes, this proposal takes a crucial first step by focusing on some of our most vulnerable residents in our state." She characterizes the bill as a "responsible path forward" and urges the committee to advance it.

<u>State Representative Henry Genga, 10th District</u> testified in strong support of HB 5428. He recounts a serious incident that occurred in his district at Rivermeade Pointe North Manufactured Home Community, when a propane line was hit, causing an explosion and fire in four homes. When the fire department arrived, the fire hydrants did not have an adequate stream of water to extinguish the blaze, which caused assistance to be delayed. Rep. Genga writes, "The residents of Rivermeade are proof that leaving the public's safety in the hands of private out-of-state mobile home park owners is insufficient at best and devastatingly consequential at wors[t]." He conveys that residents have seen other critical maintenance be ignored and states that HB 5429 will put testing procedures in place. Rep. Genga stresses the importance of protecting Connecticut's residents and requests that the committee support the bill.

**Eric Couture, First Selectman, Town of Killingworth** testified in support of HB 5428, writing that it will "provide financial security for the residents of our state who have the most to lose." He observes that in his town's mobile home park, lease rates have increased while services have diminished. Mr. Couture maintains that "home security should not be left to the whims of corporate shareholders' greed." He also expresses support for the provisions increasing transparency and limiting fees. He urges the committee to pass the bill.

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 5428 because it would improve transparency when homeowners decide where to live.

**Renato Muguerza Calle, Governance Director, CT Working Families Power** supports HB 5428 because it will protect "the rights and well-being of some of our most vulnerable residents." He writes about his personal experiences watching friends and neighbors struggle with rent and fee hikes, as well as no way to counter unfair treatment. He expresses support for the legislation's limits on rent increases and strengthened enforcement measures, and he urges the committee to support the bill.

Nora Duncan, State Director, AARP Connecticut supports HB 5428, stating that manufactured homes are less expensive than "site-built" homes and their sale price in Connecticut is lower, making manufactured homes a comparably more affordable option than traditional housing. Ms. Duncan notes that manufactured housing helps serve the needs of older adults and people with lower incomes. Her written testimony lists various provisions that AARP Connecticut supports, and she urges everyone to find housing solutions that meet older adults' needs.

### Raphael L. Podolsky, Attorney and Policy Advocate, Connecticut Legal Services

testified in support of HB 5428 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 maintains that HB 5428 is needed.

<u>Abigail Barahona</u> testified in support of HB 5428, stating that as a mobile home park resident, she has seen the condition of community resources continue to deteriorate. She believes there is a need to hold owners accountable. She supports the limits on rent increases and fees, characterizing these measures as "essential in preventing excessive charges." Ms. Barahona argues that the proposal's fines for health and safety violations will help hold owners accountable. She expresses further support for provisions relating to relocation assistance, fire safety, and information disclosure. Ms. Barahona urges the committee to support the bill.

**Daniel G. Billings** provided written testimony in support of HB 5428 and its proposals to limit rent increases and fees. He stresses the need for better enforcement of existing law and argues that information regarding open investigations should be subject to the Freedom of Information Act. Mr. Billings includes two items that were part of complaints he made with DCP.

**Dave Delohery** testified in support of HB 5428. He writes about Connecticut's affordable housing shortage and describes manufactured home parks as "one of the few remaining sources of unsubsidized affordable housing in our state." Mr. Delohery states that many residents who live in mobile home parks are on low, fixed incomes. Because they rent the land but own their homes, they have to cover the costs of home maintenance, heat, electricity, lawn upkeep, and driveway maintenance. He does not agree with park owners

who characterize HB 5428's limits on rent increases as unfair, arguing that mobile home park owners make a larger return on their investment than they claim. Mr. Delohery notes that owners of mobile homes from across the state share the same concerns.

<u>Heather Toutain</u> supports HB 5428 largely due to her personal experience related to an explosion and fire in her mobile home community. She expresses frustration that residents were left without essential services for weeks after the explosion. Ms. Toutain states that she turned to Representative Henry Genga and Attorney General Tong for assistance. She explains that when she and other residents called the Department of Consumer Protection to check on the status of their own claims regarding the explosion, they were shocked to find out that DCP could not give them information on their own cases. Ms. Toutain believes that "we can do better" and urges support of the bill.

**Eighty-six members of the public** who reside in mobile home parks testified to express general support for the legislation. Many spoke regarding the increased cost of living and relayed the details of large, often unexpected increases in rent and other fees.

# NATURE AND SOURCES OF OPPOSITION:

Jim Heckman, General Counsel, CT REALTORS (CTR) opposes HB 5428, expressing concern about the legislation's limitations on rent increases. CTR believes that these limits push landlords to enact yearly increases regardless of whether they are needed. They argue that the proposal would limit available housing supply and lead to reduced maintenance of existing properties. CTR states that HB 5428's provisions might lead to the closure of mobile home parks and "harm entry level buyers attempting to get into the market by buying a multifamily property they can owner occupy." They urge the committee to oppose the bill.

Mark Asnes, Community Owner and President, Connecticut Manufactured Housing Association strongly opposes HB 5428. 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.

#### Mark Berkowitz, Community Owner and Director, Connecticut Manufactured Housing

<u>Association</u> opposes HB, arguing that it will be "detrimental" to community owners and residents. He thinks it would be a better use of the state's time to examine ways to increase housing stock in the state. Mr. Berkowitz argues that CPI is not an accurate measure of the increase in an owner's cost to operate their business, maintaining that limits on rent

increases will shrink services. He expresses frustration that the proposed changes were not discussed with the Mobile Manufactured Home Advisory Council and argues that rather than pass new legislation, Fair Rent Commissions should "do the work they were set up to accomplish." He urges the committee to vote down the bill.

Jason DiZenzo, Community Owner and Board Member, Connecticut Manufactured Housing Association submitted testimony in opposition to HB 5428 that echoes the points raised in Mr. Berkowitz's testimony.

<u>Sean Dizenzo, Owner Operator, Colchester West LLC</u> testified in opposition to HB 5428 because he believes 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.

<u>Richard Freedman, President, Garden Homes Management Corporation</u> testified in opposition to HB 5428, noting that new manufactured home parks are being prohibited by most towns' zoning regulations. He states that each park's infrastructure typically needs constant repair and replacement, which is expensive and would not be covered by the proposed limits. Mr. Freedman argues that HB 5428 would degrade the state's housing stock.

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 5428, 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 5428. 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 5428 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 5428 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 5428, characterizing the legislation as "detrimental" and arguing that it will place owners and residents at risk. Ms. Gooch argues that the legislation would tie community owners' hands by locking in an "artificially low rent structure" that does not keep up with expenses. She raises the possibility that over time, this restriction will cause properties to lose value and disincentivize investment in Connecticut's housing market. Ms. Gooch argues that limiting rent increases will cause landlords to delay necessary improvements and will reduce the quality of available housing. She relays details regarding the housing market in Massachusetts from 1970-1994 to illustrate her argument, with footnotes citing a study from 2007 and another from 1995. Ms. Gooch adds that she believes that HB 5428's provisions conflict with existing state law. Her testimony lists various policies that she would prefer over those in HB 5428.

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.

**Thirteen members of the Connecticut Manufactured Housing Association** submitted testimony restating the major points raised in Ms. Palmisano's testimony.

<u>Eric Hawkins, Kenneth Hoddinott, Marcia Stemm, Mike Weiss</u>, and <u>Nathan Weiss</u> submitted testimony in opposition to HB 5428 echoing the points raised in other mobile home park owners' testimony.

Four members of the public testified in general opposition to the bill.

**Three members of the public** submitted testimony they labeled as opposing the bill, but their written narratives asked legislators to vote for it.

Reported by: Betsy Francolino

Date: April 4, 2025