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The Honorable Elizabeth Warren  
309 Hart Senate Office Building  
Washington, DC 20510

The Honorable Dave Loebsack  
1211 Longworth House Office Building  
Washington, DC 20515

June 18, 2019

Dear Senator Warren and Representative Loebsack,

This letter is in response to the letter we received from you dated May 28, 2019.

We respect, understand and agree with your concerns regarding the issue of affordable housing. Affordable housing is among the most pressing issues America faces today, and we are proud to be a small part of the solution to that crisis.

We strongly support the notion that solving the affordable housing crisis starts with preserving existing housing stock<sup>1</sup>. Few types of real estate housing are more at-risk of disappearing than manufactured home communities located in commercial districts and other prime acreage of high-demand areas<sup>2</sup>. Manufactured home communities are prime targets for developers of big box retail, luxury apartments, office buildings and other types of development<sup>3</sup>. Tragically, this gentrification is occurring with greater frequency from all corners of the country in cities large

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<sup>1</sup> Why Preserving Affordable Housing is More Important than Building it. May 15, 2017. Retrieved from <http://www.icastusa.org/why-preserving-affordable-housing-is-more-important-than-building-it/>

<sup>2</sup> Sullivan, A. America's Most Invisible Communities – Mobile Home Parks. August 10, 2017. Retrieved from [https://www.ted.com/talks/esther\\_sullivan\\_america\\_s\\_most\\_invisible\\_communities\\_mobile\\_home\\_parks/transcript?language=en](https://www.ted.com/talks/esther_sullivan_america_s_most_invisible_communities_mobile_home_parks/transcript?language=en)

<sup>3</sup> Turner, S.L. Mobile Home Park Redevelopment & The Loss of Unsubsidized Housing. May 2010. Retrieved from <https://repositories.lib.utexas.edu/handle/2152/22331>

and small<sup>4</sup> <sup>5</sup>. The results are disastrous – the unconscionable act of mass evicting all community residents – and are occurring at an alarming rate around the country<sup>6</sup> <sup>7</sup>.

Preserving existing manufactured home communities is tantamount, but it is not enough. Those properties also need preliminary and ongoing capital upgrades, good maintenance, and helpful onsite property managers to ensure the property is a safe and clean community for all residents for the long term.

Havenpark is a regional operator of manufactured home communities. We are committed to preserving affordable housing by purchasing manufactured home communities and investing heavily in them – upfront, and on an ongoing basis – to ensure they are a secure, safe, clean and desirable place for our residents to live long-term.

Given the rapidly rising land values and rental rates across the country, Havenpark agrees there is a place for local, state and federal governments to pass legislation that would truly help the residents of manufactured homes. For example, the proposed legislation creating refundable tax credits for renters paying more than 30 percent of their income for housing are worthy of exploration. As are laws that would give mobile home park residents greater notice of rent increases before they can go into effect. Another proposal would benefit residents by providing federal tax incentives to owners of manufactured home communities if they sell the community directly to the residents. The current laws, rules and regulations likely need to be updated to protect both residents and landowners alike. Havenpark will continue to adhere to all current and future municipal, state, and federal rules regarding the operation of manufactured home communities.

We respect that as elected leaders you have the power to create real solutions. By looking at the affordable housing issue, real improvements are possible. To do that also requires a candid examination of the fiscal realities and costs. For example, one must acknowledge that had Havenpark not recently purchased manufactured home communities in North Liberty, IA and Waukee, IA – two of the fastest-growing areas in the region and country<sup>8</sup> <sup>9</sup> – they almost assuredly would have been sold to a developer that would have closed those communities –

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<sup>4</sup> Mobile Home Parks at Risk of Redevelopment. September 25, 2018. Retrieved from <https://www.statesman.com/NEWS/20180207/Mobile-home-parks-at-risk-of-redevelopment>

<sup>5</sup> Nearly 300 mobile homes lost since 2011. June 15, 2019. Retrieved from [https://missoulian.com/news/local/affordable-housing-crisis-nearly-mobile-homes-lost-in-missoula-county/article\\_a93950eb-7d0f-5c0c-89ec-7046511b3930.html](https://missoulian.com/news/local/affordable-housing-crisis-nearly-mobile-homes-lost-in-missoula-county/article_a93950eb-7d0f-5c0c-89ec-7046511b3930.html)

<sup>6</sup>As land values rise in Phoenix area, mobile-home parks disappear. July 26, 2018. Retrieved from <https://www.azcentral.com/story/money/real-estate/catherine-reagor/2018/07/25/mobile-home-parks-disappear-fewer-affordable-housing-options-metro-phoenix/789332002/>

<sup>7</sup> Half of Hennepin County's Mobile Home Parks Have Closed. July 17, 2017. Retrieved from <http://www.startribune.com/as-mobile-home-parks-close-attention-turns-to-how-to-protect-them/434708163/>

<sup>8</sup> Waukee, IA one of the 10 fastest-growing suburbs in the U.S. July 18, 2018. Retrieved from <https://businessrecord.com/Content/Default/All-Latest-News/Article/Waukee-one-of-the-10-fastest-growing-suburbs-in-the-U-S/-/3/248/83265>

<sup>9</sup> North Liberty among fastest growing cities in Iowa. Retrieved from <https://www.thegazette.com/subject/news/government/north-liberty-among-fastest-growing-cities-in-iowa-20170525>

mass-evicting hundreds of residents – in order to repurpose that prime real estate into something more valuable. In this case, developers are who we outbid in order to make these two purchases in Iowa, securing long-term affordable housing for hundreds of Iowan families in the process. Havenpark is now in the process of making a substantial capital investment to ensure the communities are brought up to our operating standards and have sufficient upgrades and amenities to meet our residents' needs. Market forces dictated the purchase price of those two properties, which went far beyond what the current income on rent provided. Taken together with the heavy capital commitment we're making to ensure a good quality of life for our residents, we had to normalize the rents to the level of comparable manufactured home communities in the immediate area, otherwise we would effectively be "under water" and unable to preserve their current use. Even after normalizing rents, these two communities provide among the most affordable units in their respective markets with site rent leasing for approximately 30% of the cost of the average apartment in the area and are in-line with other manufactured home communities of comparable quality in those markets.

We do understand that any housing price increase is a burden, especially when residents haven't seen rent increases that align with cost of living adjustments for several years. This was the case in the two Iowa communities referenced here. This is why after meeting with community residents from those two properties we decided to stagger the rent increases over a period of two years. This amounted to an increase in monthly rent of \$75 (North Liberty) and \$100 (Waukee) during the first full year of operations. This rent normalization was the cost of securing and preserving these communities.

Market forces continue driving housing prices and rental rates up. For example, it was recently noted that the average one-bedroom apartment rent in the Des Moines market experienced a 17% increase since last year<sup>10</sup>. Clearly, wages are not growing anywhere near that rate. Therefore, we believe there are some proposed policies and solutions that should be explored that would potentially mitigate the effects of such rent increases that many middle and lower-income Americans are dealing with.

We also hope you acknowledge our financial investment which improves the properties and raises the quality of life for our residents. These include repaving streets, adding improved lighting, building dog parks, adding community playgrounds, renovating community centers, landscaping, and others. The biggest investment many Americans have is their home. These capital investments improve the value of our residents' homes<sup>11 12</sup>, instill community pride, promote camaraderie among neighbors, and contribute to the overall well-being of our community residents.

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<sup>10</sup> 2019 Annual Rent Guide. Retrieved from [https://www.apartmentguide.com/blog/apartment-guide-annual-rent-report/#Rent\\_Increases](https://www.apartmentguide.com/blog/apartment-guide-annual-rent-report/#Rent_Increases)

<sup>11</sup> Will a Manufactured Home Appreciate in Value? FAQ Retrieved from <https://www.manufacturedhousing.org/faq/>

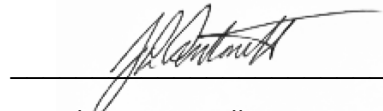
<sup>12</sup> New evidence shows manufactured homes appreciate as well as site-built homes. September 13, 2018. Retrieved from <https://www.urban.org/urban-wire/new-evidence-shows-manufactured-homes-appreciate-well-site-built-homes>

Our overall mission is to secure and preserve affordable housing across the country. We look forward to continuing to invest in our communities to make them attractive, safe, clean places for individuals and families alike.

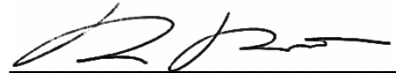
We note that your letter requested Havenpark answer a long list of specific questions about our company. We have been advised by counsel not to respond point-by-point.

We hope to be of assistance in the discussion and formation of policies and regulations that would preserve existing affordable housing and create more options for affordable housing going forward.

Respectfully,



J. Anthony Antonelli  
Managing Partner, Havenpark Management



Robison Pratt  
Managing Partner, Havenpark Management