

Honorable Congressman Keith Ellison
2263 Rayburn Building
Washington, DC 20515

October 18, 2017

Re: Response to your 10/3/17 Policy Agenda for MH Owners

Congressman Ellison:

Our company is a family owned owner/operator of 11 MH communities comprising 3,000 homesites in Northern Illinois and NW Indiana. We have also earned and maintain our MLO in order to lend millions of our dollars to our applicants to purchase our homes and build equity when their financial condition may not qualify them for traditional MH lenders such as 21st, Triad or Vanderbilt.

We share your concerns to ensure that the MH industry continues to provide quality affordable housing to over 22 (not 17) million Americans, all of them generally unsubsidized by government programs. Our company endeavors to be an example of best practices in responding to resident needs every day, including our offering of a 5% fixed financing rate to "Neighborhood Heroes" – Vets, nurses, teachers, and police/fire personnel.

Our industry takes pride in our overall offering and the manner in which we care for our residents. As in many industries, anecdotal stories of bad actors generally get far more attention than a headline like, "**MH Industry offers opportunity to build home equity to millions with few other options.....**" We acknowledge that bad actors exist in our industry, as they do in all, but they do not tell the whole story.

Another weakness in using anecdotes to form policy is that the whole story is often not considered. Your column on the Frank Adelman Manufactured Housing Community Sustainability Act suggests this proposed legislation is based on the tragedy arising out of Mr. Adelman taking his life, apparently because his MHC was being phased out and he needed to relocate. What was not explained in your narrative was that, as reported by Minnesota Public Radio, Mr. Adelman's sister discovered his body, when she came to tell him she'd found alternative housing for him. Also unmentioned was the fact that residents of Lowry Grove received \$3,500 to \$27,000 each to facilitate their relocation so this dilapidated MHC could be redeveloped into a better fit for its broader community. In addition, Lowry community leaders and affordable housing advocate Aeon reached a settlement with the developers garnering an additional relocation fund in excess of \$100,000 and the opportunity for Aeon to build 110 affordable housing units on 2 acres of the site which formerly provided 100 manufactured home sites. (see attached 8/2/17 Star Tribune article). My point is that, in the very rare occurrence of a MHC being decommissioned (as you mention, only 10 MN MHC's have closed in 25 years), the market certainly provides some remedy for the displaced residents.

Any rental resident is subject to market and regulatory forces, as are the MHC operators. State laws generally govern rent increases, and very, very few, if any, MHC residents who are financially able to pay their rent "*fall asleep wondering if they'll have a home in the morning.*", a phrase you used in your column. When residents are unable to pay their rent, MHC operators have a vested interest in working with them through troubled times, provided that the resident is also working in good faith to get back in compliance with their lease obligations.

Ironically, as I trust you know, Lowry Grove appears to be on its way to become a modern MHC (see 10/14/17 Star Tribune article, attached). Apparently, the town approved only 350 of the 700 units requested for the 15-acre site. Time will tell how this ultimately turns out – but it is further support, in my opinion, for the proposition that "hard cases make bad law."

Finally, your column also mentioned your effort to oppose proposed legislation which would "exempt manufactured housing sales people from the CFPB licensing requirements". This proposal is intended to correct the misfit between the SAFE Act, designed for traditional single-family home/condo sales and financing, and the standard operating procedures of the manufactured housing industry, which, as you mention constitutes 50,000 communities housing 22 million residents. The law does not relieve loan originators from compliance, or dilute borrower protections, but allows MH sales people the ability to discuss financing alternatives with applicants in the absence of brokers and third-party lender without fear of non-compliance with federal regulations. This will facilitate transactions without sacrificing the protections of the CFPB.

We and our fellow MH owner/operators would welcome the opportunity to show you how we care for our residents in order to give you a better and apparently needed, understanding of our industry. Please let me know when you or your staff may accommodate such an on-site visit. Thank you and your staff again for your sincere, good faith efforts to serve our mutual constituency.

Sincerely,



Brian Gallagher, COO
630-795-6224

Settlement reached in hotly contested St. Anthony mobile home park sale

Settlement includes a fund to help former residents and plans for affordable housing.

By [Hannah Covington](#) Star Tribune AUGUST 2, 2017 — 5:39PM

A settlement agreement announced this week appears to mark the end of a heated legal battle over the sale and closure of St. Anthony's only mobile home park.

City leaders received notice about the settlement in [an Aug. 1 letter](#) and [a joint statement](#) issued by involved parties, including the developer that bought Lowry Grove and those working with former residents. Park owners sold Lowry Grove to a developer last year, sparking a flurry of litigation and court rulings that tested a state law governing such sales. The Village, an affiliate of Wayzata-based Continental Property Group, bought the park for \$6 million and closed it June 30 for redevelopment.

A key part of the legal settlement is a provision that aims to help residents who were displaced from Lowry Grove, which once held nearly 100 homes. Some homeowners moved to different mobile home parks, while others had yet to figure out permanent housing in the final hours before Lowry Grove's closure.

The Village has agreed to make an undisclosed "six-figure donation" to a new charitable fund dubbed the "Lowry Grove Resident Support Housing Fund."

"As I have said from the beginning, I am committed to helping Lowry Grove Mobile Home Park residents through this tough time," Traci Tomas, vice president of the Village, said in a statement.

The agreement also brings the nonprofit developer Aeon on board to handle an affordable housing component of the project that will replace Lowry Grove. The development agreed upon in the settlement still requires city approval. The Village's proposed project also includes market-rate apartments, senior-focused housing and townhouses.

As part of the settlement, the Village will sell about 2 acres of the 15-acre project site to Aeon, which plans to build 110 units of affordable housing, pending city approval.

Aeon worked last year with residents to match the Village's offer for Lowry Grove, which was rejected. The project marks the first time that Aeon has worked with the Village, according to Aeon President Alan Arthur.

"I think it's a natural outcome," Arthur said.

A public hearing for the proposed redevelopment project is scheduled for Aug. 28 at the city's planning commission meeting.

"I truly believe it is fair and benefits all parties involved," Tomas said of the settlement. "I know this has been a trying process for everyone."

In startling move, Lowry Grove may reopen to RVs and mobile homes

After residents evicted, plans to develop the disputed site fell through.

By [Hannah Covington](#) Star Tribune

OCTOBER 14, 2017 — 10:16AM

In a dramatic twist, St. Anthony's shuttered mobile home park may soon return to its former use more than three months after families were [forced off the land](#).

The abrupt announcement Friday by the developer comes days after [the city shot down](#) a plan to transform Lowry Grove into high-density housing. The 712-unit project attracted widespread criticism from neighbors, who objected to its scope and height.

A sign reading "Reopening soon" now sits on land that the Village, an affiliate of Wayzata-based Continental Property Group, bought for \$6 million in 2016. A lawsuit, rallies and urgent pleas at City Hall failed to save the mobile home park, which closed June 30 for redevelopment.

Brad Hoyt, president of the Village, said in a statement Friday that the city's decision "denied any economically viable redevelopment on the property." The rejected plans included 97 units of affordable housing to replace homes lost from the closure.

"They used us to do their dirty work, accomplishing their goal of evicting the mobile home and RV residents from St. Anthony," Hoyt said. "We refuse to play along with their heartless plan."

Hoyt said the RV park would reopen immediately, with the mobile home park planned to reopen in April 2018. He described the move as "the only option we have left."

City officials said Friday they were aware of the new sign on the land and said they believed resurrecting the mobile home and RV park would be an allowed use.

City Manager Mark Casey said he hadn't spoken with the developer since the new sign went up.

Some see the Village's response in the wake of the city's rejection to its high-density proposal as part of a political maneuver.

"There are a lot of things that are part of their negotiating tactic," said City Council Member Hal Gray.

That tactic, Gray said, includes "accusing us of turning it down because we didn't want affordable housing, which is just ridiculous." He said the city didn't want the park to close but also didn't want it to remain in its ***dilapidated condition***.

"If they want to put a park in there and it fits the zoning, then more power to them," Gray said.

As a photo of the "reopening" sign swirled around social media Friday, some made mention of a colorful dispute from the developer's past.

After Wayzata turned down Hoyt’s proposal to build a five-story mixed-use building, his company sued. Hoyt covered an existing building on the property with hot-pink paint, and an “XXX Adult Books” sign also appeared.

Hoyt [told the Star Tribune](#) that his daughter chose the color and that the sign came from someone who had planned to lease the site.

Dave Colling, a St. Anthony City Council candidate, described the new Lowry Grove sign as a “pattern of behavior” from the developer.

“It’s very disturbing that he thinks he can just bully his way into getting what he wants,” Colling said.

No trust left

Most Lowry Grove families left St. Anthony after the park closed, many displaced from homes that were too old or costly to move. Residents mourned the loss of their community as well as their neighbor, Frank Adelman, who took his own life days before the park shut down.

Bill McConnell, who had lived in Lowry Grove for more than 30 years, slept in his car and stayed with friends in the weeks following the closure. He now lives in public housing in Minneapolis and said he doesn’t plan on returning to the park even if it reopens as planned.

“I don’t if know if anybody will trust them,” said McConnell, 66. “I think they are doing it just to snub the city.”

Former Lowry Grove resident Jean Christianson now lives in a mobile home in Blaine but said she misses the house she had in St. Anthony.

“It was close to downtown. We had lovely neighbors. I figured it was where I would be until the end,” said Christianson, 82. “Do I feel used? Yeah.”