



March 10, 2021

Dear Chairman & Committee Members,

My name is Robbie Pratt, I am the CEO of Havenpark Communities. Our company secures, upgrades, and maintains manufactured home communities (i.e., mobile home parks) across 15 states. We have been operating in North Dakota since 2019.

We have since grown across North Dakota and now have a total of eight communities with approximately 1,800 residents across Bismarck and Fargo. Since we began our operations in North Dakota in 2019 we have invested approximately \$4,300,000 back into the properties we operate in North Dakota – to the benefit and improved quality of life for our residents. This reinvestment ensures our residents have good roads, properly trimmed and safe trees, landscaping, proper street lighting, amenities such as playgrounds, picnic pavilions and sport courts. Our commitment to our residents and communities in North Dakota align with our long-term hold strategy. We intend to continue to operate, grow, and invest in North Dakota for many years to come. We have a particularly strong presence in Bismarck, North Dakota, where we own 1,130 home sites, which provides housing for about 1.5% of the total population of Bismarck.

I am concerned that SB 2159 proposes legislation that would be devastating to not only the majority of operators across the state, but to the affordability to residents of mobile home parks throughout North Dakota. We are not members of the North Dakota Manufactured Home Association (NDMHA); upon attempting to join the group we were informed by Kent French, an officer of the association, that we were prohibited from joining the association because we were an out-of-state company who “did not care about our residents”. As it turns out, we were not alone, many other North Dakota manufactured home community operators, including four other large out-of-state operators we spoke with, have ALSO been denied membership into the association.

Senate Bill 2159 is **NOT** a tenant’s rights bill. This bill and the following smear campaign that began in 2019 were designed and launched by Kent French to hurt new operators coming to town (such as Havenpark). In the process, that campaign has devastated the quiet enjoyment of our residents, and has sewed, fostered, and perpetuated fear among our valued residents using numerous misinformation tactics – both in person, and on Social Media. We have reason to believe that most of the residents who have raised their voice in support of this bill have had the bill presented in a manner that gives them false assumptions about what the bill actually does. For example, you will see an exhibit of a flyer that was forced upon all our residents at Colonial Estates, a 280-site community here in Bismarck. You will notice in the middle of the flyer, it states that this bill must be supported so that, among other reasons, there will be no more “reasonable administrative fees”. However, the phrase “reasonable administrative fee” is



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the exact verbiage from SB 2159, and would only be introduced if SB 2159 pass. The very concept some of these residents are opposing is precisely what they will get if this bill is passed.

I don't know why Kent French has had a personal vendetta against our company from the moment we arrived in Bismarck, but from the first week we were there he has conducted town halls with our residents – trying to pit them against us with a false stream of accusations, he's led canvassing groups to knock doors and rally residents to his cause, under a sweeping "tenants rights narrative", while conveniently leaving out the details of his bill that would actually hurt them. Over the past two years we have heard it all – accusations of mass evictions, taking residents' homes and kicking them out, out-of-control rent increases, running the properties into the ground, and future plans to redevelop all our parks into high-rise, low-income apartments.

I want to dispel those patently false rumors once and for all. Many have been introduced, or perpetuated by Mr. French and his efforts. Here are the verifiable facts about the properties we acquired in Bismarck:

- The average rent in our Bismarck communities for existing residents is \$417 and that includes water and sewer for our residents – this is in-line with other mobile home parks in the Bismarck-Mandan area.
- Last year we invested over \$1,700,000 in Bismarck community upgrades including new sections of roads, tree trimming and removal, demo of abandoned homes, community cleanup, new entryway and interior signage, renovated offices, and added amenities such as playgrounds and new sport courts. We have budgeted an additional \$750,000 in upgrades for 2021.
- Over the past year we have had a grand total of 9 evictions across our 1,130 home sites in Bismarck. 5 of those were for drug-related activities and the rest were for rules violations or non-payment. That amounts to an eviction rate of 0.7%, well below the apartment and mobile home park industry average of a 1-2% annual eviction rate nationally.
- While we initially had rolled out a longer, more onerous resident lease, we quickly heard the complaints of our residents in Bismarck and within a week reduced the lease to an abbreviated, much more tenant friendly lease that has now been in effect in all our Bismarck communities for the past 18 months.
- We have absolutely no intention of ever using the land of these mobile home parks for anything other than mobile home parks. This is reinforced by our continual commitment and reinvestment into our communities.

Unfortunately, the North Dakota Manufactured Home Association is not a real association and does not represent the majority of Manufactured Home communities in North Dakota. Kent French and the association board are using the guise of an association to pursue their own individual interests and business pursuits.



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I would encourage the members of the committee to ask how many manufactured home community operators in North Dakota are actually members of the association? What percentage does that make up of total operators in the state?

Was the membership notified of the legislation and did they have a vote? One member told us that he was not even aware of the proposed legislation and received no information on the bill from the Association.

This bill has a far- and wide-reaching impact that will be devastating to small, manufactured home communities across North Dakota. Please see the attached list of communities licensed by the North Dakota Department of Health. We contacted a random sample of 35% of the communities on this list and they confirmed they are not members of the association and were not aware of the legislation. This association is mainly comprised of Liechty Homes and Centennial Homes employees – both organizations with strong ties to Kent French. This bill was not created and drafted to represent the majority. It was created to represent the individual interests of one man and a select group, primarily in Bismarck. This is a Bismarck bill and it should not pass.

Senate Bill 2159 has many hurtful components, but I would like to highlight three provisions that will set the state's mobile home park industry way back, and would be cause tremendous damage to our residents should this bill pass:

1. The bill requires mobile home park community operators to provide written notice to tenants in violation of policies and rules and give them SIX MONTHS notice to comply. This is an insulting proposal to all the rule-abiding, responsible residents (which are the vast majority) living in our communities as they would now have to tolerate rule-breakers for months before the law could be enacted to remove them. This provision threatens the health and safety of all residents in manufactured home communities in the state. It will also lead to eye-sore trailer parks where rules can't be enforced in a timely manner resulting in the decreased value in the residents' homes and a decrease in home values in surrounding neighborhoods. This would be terrible for all responsible mobile home park residents, and it's bad for all the citizens in the cities and towns where mobile home parks are located.
2. This bill **MANDATES** that owners have a local office staffed by an employee from the hours of 8:00AM to 5:00PM Monday through Friday. It continues to require that an employee have the authority to make decisions at any time on behalf of the ownership. This provision unfairly targets smaller communities. For example, we have two communities in Bismarck that are within proximity. For years prior to us acquiring these two communities there was only one office and one community manager and that worked for the residents in both communities. Under the new law we would be required



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to set up another office and employ additional staff. In this case residents of these two communities would immediately be facing a 15% rent increase to offset those new costs brought on by SB 2159. This proposed legislation hurts RESIDENTS – providing them no real benefit, but raising their costs immediately in a VERY real way.

3. The bill requires the disclosure of confidential information during the due diligence and acquisition period of a sale or transfer of ownership. The sale of commercial real estate such as a mobile home community is bound by confidentiality until the sale closes. Such confidentiality is standard practice throughout the country. This encroachment of privacy will likely lead to out-of-state capital **REDLINING** North Dakota out of their potential future investment geographies. We believe this is exactly what the authors of this bill intended.

On behalf of our valued residents, our company and many other mobile home park operators in the state, we sincerely request your support in opposition to Senate Bill 2159. It is anti-business, gives residents no real protections beyond what is already in law, and it hurts hard-working North Dakota residents living in mobile home parks across the state.

Regards,

Robison Pratt
President / CEO
Havenpark Communities