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ASSEMBLY Committee on Commerce and Labor
Testimony in Support of AB184
Presented by Karl Braun on behalf of Nevada Association
of Manufactured Homeowners
MARCH 26, 2003

Chairman Goldwater and members of the committee, my name is Karl Braun and I am Immediate Past President of the Nevada Association of Manufactured Homeowners (NAMH), VP., Western Region, Manufactured Home Owners Association of America (MHOAA) and a member of the HUD Manufactured Housing Consensus Committee.

We request passage of AB184 because it would provide for a review of manufactured home lot rents to eliminate excessive rental charges.

The manufactured homeowner in Nevada is in an unique situation. Manufactured homeowners own their homes but are renters of the land where their home is placed. This dual definition of homeowner and renter has created an environment where the residents of manufactured home parks/communities are captives of the park/community owner. The Nevada legislature recognized our situation and created 118B to offer us protection.

Nationally, one of every six new homes is a manufactured home. However, in Nevada it is one in twenty.

Nevada has approximately 460 parks with 35,000 spaces. There are 42 parks that have space rents over \$400.00. It is this group of parks that we are concerned with as they have increased rents year after year after year.

Nevada has 6,556 empty lots in the 460 parks, almost 18% of our available inventory. .

NO PARK IN NEVADA HAS REDUCED IT'S RENTAL CHARGES.
NO PARK IN NEVADA HAS FILED FOR BANKRUPTCY

The Jaycee Park, as a comparison, is low-income park with 468 spaces located on the west side of Las Vegas. The rent is \$215 per month and the park is self sustaining. It has been proven with the Jaycee Park that reasonable rents can provide sufficient operating costs. A reasonable profit plus operating costs is our ideal for all manufactured home parks in Nevada. We want park owners to earn a reasonable profit.

The Desert Inn Estates is a manufactured home community where the homeowner owns their land but belongs to an association that governs the community. Their current \$65.00 monthly charge provides for the care of the common areas of the community.

A 300-space park will have residents with over \$10,000,000 invested in their homes. This amount is far more money than the park owner has invested in the property. Yet the park owners maintain that they have the right to increase rents annually because the value of the land has increased. These excessive annual rent increases actually has the effect of decreasing the value of our homes.

This legislation is aimed at the "big business", "out-of-state" park owners, not the over 300 park owners that treat their residents like what they are, CUSTOMERS. *They provide an affordable place for us to live and still make a reasonable profit for themselves while charging less than \$400 per month space rents.*

Manufactured park living is recognized as a part of Nevada's "affordable housing". Clark County Planning recognized NAMH as a positive influence in affordable housing because of our work to keep rents reasonable. (Clark County Affordable Housing Needs, 1996-2010, June, 1998). *Park living in manufactured homes is the only affordable housing option that is financed by individuals without help from the government.*

In 2002 the average apartment rent IN Las Vegas was \$722 per month. Over 5,000 units were built in each of the last three years. A big part of the apartment rent increases are due to new units being introduced to the market each year, not existing units increasing their rents. The apartment renting business is strong with 92% occupancy in Las Vegas. s.

The reality for many manufactured home residents is that their space rents are increasing at an alarming rate. Residents face an inability to control or contain their living costs in comparison to other homeowners (fixed mortgage) and renters (ability to move). Many social myths exist regarding manufactured homeowners that perpetuate false solutions and rationalizations among the public. These myths undermine the realities that have created this situation.

Manufactured Home Myths

Myth #1: Mobile homes can be moved.

The manufactured home has evolved from the earliest trailer like structure to a manufactured home that can encompass singlewides, doublewides, triplewides and even two story homes. The cost for an average doublewide to be moved in Las Vegas is over \$7,500.

Older homes may no longer be in sufficient condition for transport. Even if the home can be moved, most parks do not allow older homes. These homeowners cannot move their homes.

Myth #2: Move the home to owned land.

Land that is available for placement of manufactured homes is limited. Zoning laws passed in the last legislative session allows for home newer than 5 years old to be moved into non-mobile home lots. Older homes can only stay in their park.

Myth #3: Nevada has the Lot Rent Subsidy Program that assists low-income manufactured home residents.

The Lot Rent Subsidy program helps approximately 350 low income persons/families.

SUMMARY

1. Zoning laws restrict the majority of us to mobile home parks.
2. Moving from one park to another costs \$7,500 or more.
3. 82% occupancy, 6,556 spaces available. (Law of supply and demand?)
4. Residents have more money invested in their homes than the park owner has invested in the park.
5. Mobile home park living has always been "affordable housing".
6. It is the only affordable housing financed by individuals.
7. Lot rents are increasing faster than Consumer Price Index.
8. Nationally, one of six new homes is a manufactured home. In Las Vegas it's one in twenty.
9. Lot Rent Subsidy program helps a limited number of people.
10. Manufactured home owners need legislative assistance on rental charges just as we've needed laws in other areas to protect us.
11. Rent Justification is not Rent Control.
12. Free Enterprise, Supply and Demand does not work when it costs thousands to move.
13. New parks are not being built in Nevada.

MHD REPORT JULY 2001

COUNTY	PARKS	SPACES	PERCENT	SGLWIDE	AVG RENT	DBLWIDE	AVG RENT	SPACES	AVG RENT	MT SPAC	PK OWND
<u>2001 #122,658,750</u>											
Clark		146	19,763	8,989	\$323	8,915	\$405	17,904	\$364	2,894	1,034
Washoe		94	5,983	2,863	\$331	2,686	\$384	5,549	\$357	620	400
Carson		28	1,740	585	\$293	1,073	\$320	1,658	\$310	24	21
Elko		39	1,930	1,170	\$266	406	\$262	1,576	\$265	367	251
All Others		132	4,974	2,053	\$200	1,619	\$239	3,672	\$217	1,306	620
Totals		439	34,390	15,660	\$303	14,699	\$372	30,359	\$337	3,971	2,326

MHD REPORT JULY 2002

COUNTY	PARKS	SPACES	PERCENT	SGLWIDE	AVG RENT	DBLWIDE	AVG RENT	SPACES	AVG RENT	MT SPAC	PK OWND
<u>2002 \$135,009,500</u>											
Clark		145	19,907	8,493	\$336	8,941	\$428	17,434	\$384	3,043	1,307
Washoe		98	6,092	3,155	\$346	2,418	\$390	5,573	\$365	825	458
Carson		28	1,746	630	\$301	1,087	\$332	1,717	\$321	109	24
Elko		45	2,058	1,009	\$260	706	\$278	1,715	\$267	596	295
All Others		142	4,972	1,951	\$205	1,779	\$240	3,730	\$222	1,939	663
Totals		459*	34,833*	15,238	\$315	14,931	\$432	30,169	\$373	6,558	2,749