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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

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December 19, 2022

Mr. Patrick O'Malley
CEO
Legacy Communities LLC
32313 Broadway St.
Suite 101
Sebring, FL 33870

Dear Mr. O'Malley:

I am writing regarding the devastating effects that Legacy Communities' acquisition of senior manufactured housing communities in Ohio is having on the communities' residents.

In recent weeks, I have received an influx of notes from residents in Ohio two manufactured housing communities that Legacy Communities has acquired: Twin Lakes in Elyria, and Navarre Village Manufactured Housing Community in Navarre. Both communities are "55 plus" communities and include many residents who have lived in their community for years, even decades. Many of the residents own their home, but rent the lot it sits on.

Community residents have reported to me and to local news outlets that Legacy Communities is raising rent by 8 percent per year for existing residents while raising the rent for new residents as high as \$850 per month, all while reducing services.¹ These sudden and drastic rent increases have left residents on fixed incomes scared and without options. Residents report that they will not be able to afford rent increases, nor can they sell their homes because prospective buyers are unable or unwilling to pay the high and increasing lot rents that Legacy Communities charges. Seniors who have worked hard their whole lives and bought a house believing they had found a safe, stable place to live now face the prospect of losing their home and having nowhere to go. And news reports indicate that Ohio is not alone – residents are reporting exorbitant rent increases in Legacy Communities properties across the country.²

Communities like Twin Lakes and Navarre Village are a critical source of affordable housing for lower-income families and seniors. Whether rent increases are affordable must be assessed

¹ "Retirement community desperate for relief as monthly HOA fees soar," Catherine Ross, News5 Cleveland, November 9, 2022, available at <https://www.news5cleveland.com/news/local-news/retirement-community-desperate-for-relief-as-monthly-hoa-fees-soar>; " 'It's paralyzing:' Neighbors in Stark Co. retirement community blast new owners for doubling HOA fee," Catherine Ross, News5 Cleveland, November 7, 2022, available at <https://www.news5cleveland.com/news/local-news/its-paralyzing-neighbors-in-stark-co-retirement-community-blast-new-owners-for-doubling-hoa-fee>.

² See, for example, "Residents want rent control for Attleboro mobile home parks," Jim Hand, The Sun Chronicle, July 10, 2019, available at https://www.thesunchronicle.com/news/local_news/residents-want-rent-control-for-attleboro-mobile-home-parks/article_6729b590-81f9-5e82-a4ad-cafc5c3f9554.html.

relative to the incomes of the residents who call that property home. Jacking up rents based on national or regional rental rate trends without considering what residents can actually afford could overburden its residents, especially those on fixed incomes, and create an unaffordable community.

I am deeply concerned that Legacy Communities' management practices will cause financial instability, displacement, and homelessness among hundreds of Ohio seniors. As a national company doing business from Delaware and Florida and with leadership in Arizona, Legacy Communities will be far removed from the consequences of its decisions. But Ohio seniors, their families, and local communities will have to deal with the fallout of Legacy Communities' policies. In light of the irreversible harm that unaffordable rent increases would cause for Ohio's seniors, I urge you to immediately halt rent increases for existing and new residents in your communities and meet personally with tenants in both of Twin Lakes and Navarre Village to hear their experiences living in your communities.

To help residents and communities better understand the way Legacy Communities' manages its properties, please also respond to the following questions no later than January 9, 2023.

- Please provide the average lot rents charged at each of Twin Lakes and Navarre Village when Legacy Communities assumed ownership, the percentage increase in rent at each community for renewals, and the lot rent being charged for new residents in each community today. Please include any fees in each rent calculation.
- Please explain how Legacy Communities discloses any rent or fee changes to residents and how far in advance Legacy Communities communicates these increases.
- Please explain how Legacy Communities establishes rent or fees and rent or fee increases for existing and new tenants.
- Legacy Communities specializes in senior manufactured housing communities. Does Legacy Communities consider what rents are affordable (defined as housing costs taking up no more than 30 percent of a household's income) to existing residents, including those on a fixed income, when setting rents and fees? If yes, please explain how those data points are considered. If not, why not?
- Please describe in detail what engagement Legacy Communities has had with residents to discuss recent rent increases and other changes.
 - If Legacy Communities residents are unable to afford lot rent increases, does Legacy Communities have a policy or program to help tenants remain in their home? If so, please describe these policies or programs in detail. If not, why not?
 - If a resident is unable to afford their lot rent and cannot remain in their home, please describe what happens to ownership of a resident's home.
- Does Legacy Communities rent any manufactured homes within their communities to tenants? If so, please provide the proportion of units that Legacy Communities rents out and the number of units owned by Legacy Communities residents.
- Does Legacy Communities sell homes in its communities directly to tenants?
- Do you or any staff of Legacy Communities have regular contact with residents and with local governments in each of the towns or cities where Legacy Communities owns a community? If yes, please provide the frequency of those contacts with residents and local leaders in both Elyria and Navarre. If not, why not?

- Please provide a list of management at Legacy Communities and the names of any Legacy Communities staff located in Ohio.

Thank you for your prompt attention to this critical issue.

Sincerely,

A handwritten signature in blue ink that reads "Sherrod Brown". The signature is written in a cursive, slightly slanted style.

Sherrod Brown
Chairman